

Section 7.9 If an Institutional Lender or other purchaser of a Unit obtains title to such Unit as a result of foreclosure of the first mortgage, such acquirer of title, its successors and assigns, shall not be liable for the share of Common Expenses or other assessments by the Association pertaining to such Unit or chargeable to the former Unit Owner which became due prior to acquisition of title as a result of foreclosure. Such unpaid share of Common Expenses and other assessments shall be deemed to be Common Expenses collectible from all the remaining Unit Owners, including such acquirer, successors and assigns. No Institutional Lender shall use this provision in bad faith to require such unpaid share of Common Expenses to be paid by the remaining Unit Owners.

Section 7.10 Liens for unpaid assessments may be foreclosed by suit brought in the name of the Association in the same manner as a foreclosure of a mortgage on real property. The Association shall have the power to bid on the Unit at the foreclosure sale and to acquire, hold, lease, mortgage and convey the same. Suit to recover a money judgment for unpaid assessments may be maintained without waiving the lien securing the same.

Section 7.11 Notwithstanding anything to the contrary herein, until the conveyance of title to the first Unit, the Developer shall be solely responsible for Common Expenses. Following the first conveyance, the Owners of Units to whom title shall have been conveyed shall be responsible for their proportionate share of all Common Expenses and the Developer shall be responsible for payment of all Common Expenses assessed against Units which have not been initially conveyed to an individual purchaser and which are located in a Building for which a Certificate of Occupancy has been issued by the Township of South Brunswick for one or more Units.

Section 7.12 In addition to the assessments herein authorized, the Board shall levy upon each initial and subsequent Unit purchaser other than the Developer, a non-refundable capital contribution in an amount equal to two months' of the current common expense assessment, which capital contribution shall be used by the Association for working capital. The payment of such capital contribution shall be made on the date of conveyance of a unit and shall be a condition precedent to closing of title to each Unit. The payment of the capital contribution shall not be credited against future Common Expense assessments.

ARTICLE 8. COMMON EXPENSES: RESPONSIBILITIES OF OWNERS: DAMAGE DUE TO NEGLIGENCE, OMISSION OR MISUSE.

Section 8.1 The annual Common Expense assessments levied by the Board shall be used exclusively for promoting the

health, safety, pleasure and welfare of the members of the Association, including, but without limitation: the maintenance and repair of the exterior and roof of the Buildings, including but not limited to cleaning and painting of the exterior surfaces and finishes; roof repair; maintenance, repair and replacement reserves of the Common Elements and Facilities, or any other improvements on the Development; payment of all taxes and insurance premiums; all costs and expenses incidental to the operation and administration of the Association; and, such other items as may from time to time be deemed appropriate by the Board. The Board may also provide, by its Rules and Regulations, for ordinary maintenance and minor repairs and replacements to be furnished to Units by Association personnel or representatives and charged as a Common Expense or billed directly to Unit Owners who have received the benefit thereof.

Section 8.2 Each owner shall promptly furnish, perform, and be responsible for, at his own expense, all of the maintenance, repairs and replacements for his own Unit, provided, however, the Association, its agents and employees may effect emergency or other necessary repairs which the Owner has failed to perform. Any and all expenses so incurred shall be the financial responsibility of the Owners affected thereby.

Section 8.3 Except as otherwise provided, maintenance, repairs and replacements of the plumbing fixtures and systems, windows, doors, electrical wiring and receptacles, kitchen appliances and equipment, and lighting fixtures within any Unit shall be the Owner's responsibility at its sole cost and expense, and if the Owner fails to perform such work the Association may do so on the Owner's behalf and charge the reasonable expenses thereof to the Owner. Maintenance, repair, replacement cleaning and washing of all wallpaper, paint, paneling, floor covering, draperies and window shades or curtains within any Unit shall also be the Owner's responsibility at its sole cost and expense.

Section 8.4 If, due to the negligent act or omission of or misuse by Owner, or a member of his family or household pet, or a guest, occupant or visitor (whether authorized or unauthorized by the Owner), damage shall be caused to the Common Elements, or to a Unit(s) owned by others, or maintenance, repairs or replacements shall be required which would otherwise be a Common Expense, then the Owner so responsible shall pay for such damage and be liable for any damages, liability, costs and expense, including attorney's fees, caused by or arising out of such circumstances. Such maintenance, repairs and replacements to the Common Elements and Facilities or the Unit(s) shall be subject to the Bylaws and the Rules and Regulations.

ARTICLE 9. EASEMENTS.

Section 9.1 Every Owner, his successors and assigns, shall have the following perpetual easements with respect to the Development:

- 9.1.1 A non-exclusive easement in, upon, over, under, across and through the Common Elements and Facilities to keep, maintain, use, operate, repair and replace his Unit in its original position and in every subsequent position to which it changes by reason of the gradual forces of nature and the elements.
- 9.1.2 An exclusive easement for the existence and continuance of any encroachment by his Unit upon any adjoining Unit or upon any Common Elements and Facilities, now existing or which may come into existence hereafter as a result of construction, reconstruction, repair, shifting, settlement or movement of any portion of a Building or a Unit, or as a result of condemnation or eminent domain proceedings, so that any such encroachment may remain undisturbed so long as the Building stands.
- 9.1.3 A non-exclusive easement for ingress and egress to his Unit in, upon, under, over, across and through the Common Elements and Facilities.
- 9.1.4 An exclusive easement to use and enjoy the surfaces of the main walls, (including any windows, doors, chimneys, stoops, or patio therein), ceilings and floors contained within the Owner's Unit.
- 9.1.5 An easement in common with the Owners of all other Units to use all pipes, wires, ducts, cables, conduits, public utility lines, television, master antenna, cable communication lines and other Common Elements and Facilities located in any of the other Units and serving Owner's Unit.
- 9.1.6 A perpetual and non-exclusive easement in, over and through the Common Elements and Facilities of the Development and to use the driveways, walks, bridges and other Common Elements and Facilities within the Development subject to the right of the Board to:

- (i) promulgate Rules and Regulations for the use and enjoyment whereof;
- (ii) suspend the enjoyment and voting rights of any Owner for any period during which any assessment for Common Expenses remains unpaid, or for any period during which any infraction of its published Rules and Regulations continues, it being understood that any suspension for either non-payment of any assessment or a breach of the Rules and Regulations of the Association shall not constitute a waiver or discharge of the Owner's obligation to pay the assessment.

9.1.7 An exclusive easement for possession and use of that portion of the rear yard area contiguous to the Unit and within the bounds of the fence(s) contiguous to each Unit.

Section 9.2 Developer, its successors and assigns, shall have the following easements with respect to the Development:

- 9.2.1 A blanket and non-exclusive easement in, upon, through, under and across the Common Elements and Facilities for the purpose of construction, installation, maintenance and repair of any improvements to the Units or the Common Elements and Facilities, for ingress and egress for the use of all driveways, parking areas, and for the utilization of existing and future model Units for sales promotion and exhibition, until the last Unit is sold and conveyed in the normal course of business except for parking spaces which may be specifically assigned to Owners. In addition, subject to the provisions of the Planned Real Estate Development Full Disclosure Act, N.J.S.A. 45:22A-21 et seq. (and as may be subsequently amended), Developer hereby reserves the irrevocable right to enter into, upon, over or under any Unit for such purposes as may be reasonably necessary for the Developer or its agents to service such Unit or any part of the Building provided that requests for entry are made in advance and that such entry is at a time reasonably convenient for the Owner. In case of an emergency, such right of entry shall be immediate whether the Owner is present at the time or not.

- 9.2.2 A perpetual, blanket and non-exclusive easement in, upon, over, under, across and through the Common Elements and Facilities for surface water runoff and drainage caused by natural forces and elements, grading, and/or the improvements located on the Development. No individual Owner shall directly or indirectly interfere with or alter the drainage and runoff patterns and systems within the Development.

Section 9.3 The Development shall also be subject to the following easements:

- 9.3.1 The Association shall have a perpetual exclusive easement for the maintenance of any Common Elements and Facilities, which presently or may hereafter encroach upon a Unit.
- 9.3.2 The Association (through the Board or managing firm or their respective agents or employees) shall have perpetual and non-exclusive right of access to each unit to inspect same, to remedy any violations set forth in this Master Deed, the Bylaws or in any Rules and Regulations of the Association, and to perform any operations required in connection with the maintenance, repairs or replacements of or to any equipment, facilities or fixtures affecting or serving other Unit(s) or the Common Elements and Facilities. The Association must make request for entry in advance and that any such entry is at a time reasonably convenient to the Owner. In case of an emergency, such right of entry shall be immediate, whether the Owner is present at the time or not. The rights of the Association outlined in this subsection 9.3.2 shall be subject to the provisions of the Planned Real Estate Full Disclosure Act, N.J.S.A. 45:22A-21 et seq., as may be amended.
- 9.3.3 Any Institutional Lender, its officers, agents and employees, shall have a blanket, perpetual and non-exclusive easement to enter the Development or any part thereof to inspect the condition and repair of the Common Elements and Facilities, or any Units so encumbered by a first mortgage owned by it. This right shall be exercised only during reasonable daylight hours, and then whenever practicable, only after advance notice to and with the permission of the Board for Common Elements and Facilities

and with the permission of the Owner for his Unit.

9.3.4 A blanket, perpetual and non-exclusive easement in, upon, over, across and through the Common Elements and Facilities for the purpose of the installation, maintenance, repair, service and replacement of all sewer, water, power and telephone pipes, lines, mains, conduits, waters, poles, transformers, master television antennas, cable communication equipment and any and all other equipment or machinery necessary or incidental to the proper functioning of any utility or other system serving the Development, which easement shall be for the benefit of any governmental agency, or utility company or other entity which requires same for the purpose of furnishing one or more of the foregoing services.

9.3.5 A blanket, perpetual and non-exclusive easement of unobstructed ingress and egress in, upon, over, across and through the Common Elements and Facilities to the Managing Agent, the Association, their respective officers, agents and employees (but not the public in general) and all police, fire, and ambulance personnel in the proper performance of their respective duties, (including but not limited to emergency or other necessary repairs to a Unit which the Owner has failed to perform), and for repair and maintenance of the Common Elements and Facilities. Except in the event of emergencies, the rights accompanying the easements provided for in this subparagraph shall be exercised only during reasonable daylight hours and then, whenever practicable, only after advance notice to and with permission of the Owner(s) directly affected thereby.

ARTICLE 10. BY-LAWS AND ADMINISTRATION: CHANGES IN DOCUMENTS: POWER OF ATTORNEY.

Section 10.1 The administration of the Common Elements and Facilities of the Development and other common facilities shall be by the Association in accordance with the provisions of the Condominium Act, this Master Deed, the Certificate of Incorporation, the Bylaws, the Rules and Regulations and of any other agreements, documents, amendments or supplements to the foregoing which may be duly adopted or

subsequently be required by any Institutional Lender designated by the Developer or by any governmental agency having or claiming regulatory jurisdiction over the Developer or by any title insurance company selected by Developer to insure title to any Unit(s). Developer hereby reserves for itself, its successors and assigns, for a period of ten (10) years from the date the first Unit is conveyed to an individual purchaser or until the last Unit is conveyed, whichever comes first, the right to execute on behalf of all contract purchasers, Owners, mortgagees, other lienholders or parties claiming a legal or equitable interest in the Development, any such agreement, documents, amendments or supplements to the above described documents which may be so required by any such Institutional Lender, governmental agency or title insurance company; provided, however, that no such agreement, document, amendment or supplement which adversely affects the value or substantially alters the floor plan of any Unit, or changes the percentage of the undivided interest in the Common Elements and Facilities or increases the financial obligations of the Owner or reserves any additional or special privileges shall be made without the prior written consent of the affected Owner(s) and all owners of any mortgage(s) encumbering same. If such agreement, document, amendment or supplement adversely affects the priority or validity of any mortgage which encumbers any Unit, no such agreement, document, amendment or supplement shall be made without the prior written consent of the owners of all such mortgages.

Section 10.2 By acceptance of a deed to any Unit or by the acceptance of any other legal or equitable interest in the Development, each and every such contract purchaser, Owner, mortgagee, or other lienholder or party having a legal or equitable interest in the Development does automatically and irrevocably name, constitute, appoint and confirm:

- 10.2.1 Developer, its successors and assigns, as attorney-in-fact for the purpose of executing such amended Master Deed(s) and other instrument(s) necessary to effect the foregoing, subject to the limitations set forth above in the preceding paragraph.
- 10.2.2 the Association as attorney-in-fact to acquire title to or lease any Unit whose Owner desires to surrender, sell or lease the same, in the name of the Association or its designees, corporate or otherwise, on behalf of all Owners to convey, sell, lease, mortgage (but not to vote the votes appurtenant thereto) or otherwise, dispose of any such Units so acquired or to sublease any Units so leased by the

Association.

Section 10.3 The powers of attorney aforesaid are expressly declared and acknowledged to be coupled with an interest in the subject matter hereof and the same shall run with the title to any and all Units and be binding upon the heirs, personal representatives, successors and assigns of any of the foregoing parties. Further, said powers of attorney shall not be affected by the death or disability of any principal and are intended to deliver all right, title and interest of the principal in and to said powers.

Section 10.4 Notwithstanding the foregoing, the Developer shall not be permitted to cast any votes held by it for unsold Units for the purpose of amending this Master Deed, the By-laws or any other documents for the purpose of changing the permitted use of a Unit or the purpose of reducing the Common Elements and Facilities.

ARTICLE 11. RESTRICTIONS. The Development is subject to all covenants, restrictions and easements of record and to the following restrictions:

Section 11.1 No Unit, except those Units owned by the Developer and used as sales offices, administration offices or models, shall be used for any purpose other than as a private residence.

Section 11.2 There shall be no obstruction of the Common Elements and Facilities nor shall anything be stored in or upon the Common Elements and Facilities without the prior written consent of the Board. The use by Owners of any designated storage area which is part of the Common Elements and Facilities shall be prescribed by Rules and Regulations.

Section 11.3 No bird, reptile, or animal of any kind shall be raised, bred, or kept in any Unit or anywhere else upon the Development except that one dog and two cats or other household pets are permitted, provided they are not kept, bred or maintained for any commercial purpose, are housed within the Unit and abide by all applicable Rules and Regulations. No outside dog pens, runs or yards shall be permitted.

Section 11.4 No vehicle of a size larger than a panel truck and no mobile home, recreation vehicle (other than a pick-up truck with or without a cap), boat, boat trailer, inoperable vehicle, or a vehicle with either expired license tags or inspection sticker shall be parked on any part of the Development, except that those vehicles temporarily on the Development for the purpose of servicing the Development itself or one of the Units shall be permitted without written consent of the Board.

Section 11.5 No portion of the Common Elements and Facilities or other portion of the Development thereof shall be used or maintained for the dumping of rubbish or debris except in the dumpster disposal enclosures as provided in the Development. Trash, garbage and other waste shall be dumped in such containers on the Development for weekly or more frequent collections.

Section 11.6 No exterior loudspeakers other than as contained in portable radios or television sets shall be permitted, nor shall floodlights be installed in any exterior area of any Unit or any patio or terrace appurtenant thereto without the prior written permission of the Board.

Section 11.7 The Owner of each Unit shall not cause or permit any clothes, sheets, blankets, or laundry of any kind or other articles to be hung so they can be seen from any outside area. No awnings, grills, balcony enclosure, fence, canopies, shutters, or radio or television antenna, aerial or satellite dish shall be erected or installed in or upon the Development without the prior consent of the Board. Owners shall not have the right to paint or otherwise decorate or change the appearance of any portion of the exterior of the Building or any parking areas.

Section 11.8 Each Owner is responsible to promptly report to the Board any defect or need for repairs, the responsibility for which is that of the Association.

Section 11.9 In order to provide an orderly procedure in the case of title transfers, and to assist in the maintenance of a current up-to-date roster of Owners, each Owner shall give the Secretary of the Association, timely notice of Owner's intent to list the Unit for sale, and upon closing of title shall immediately notify the Secretary of the names and home addresses of the purchasers. Each Owner shall also notify the Secretary of the names of all tenants in a Unit.

Section 11.10 No Owner or occupant shall build, plant, or maintain any matter or thing upon, in, over or under the Common Elements and Facilities without the prior written consent of the Board unless permitted by the Rules and Regulations.

Section 11.11 Each Owner shall be responsible for the maintenance, repair and replacement of all windows of Owner's Unit, of the front door and any doors leading onto any terrace, balcony or patio adjacent to the Owner's Unit.

Section 11.12 No Owner or Occupant shall burn, chop or cut anything in the Development, except as may be customary in the use of Owner's fireplace, if any.

Section 11.13 To the extent that equipment, facilities and fixtures, within any Unit(s) shall be connected to similar equipment, facilities or fixtures affecting or serving other Unit(s) or the Common Elements and Facilities, then the use thereof by the individual Owners shall be subject to this Master Deed, the Bylaws and the Rules and Regulations of the Association.

Section 11.14 Nothing shall be done or kept in any Unit or in or upon the Common Elements and Facilities which will increase the rates of insurance of any Building or the contents thereof beyond the rates applicable for Units, without the prior written consent of the Board. To the extent that the use or occupancy of a Unit or the Common Elements (whether permitted or without permission of the Association) increases any insurance premium payable by the Association, the Association shall have the right to charge the amount of such increase to the Owner of the Unit to which the increase is attributable. No Owner shall permit anything to be done or kept in his Unit or in or upon the Common Elements and Facilities which will result in the cancellation of insurance on any Building or the contents thereof, or which will be in violation of any law.

Section 11.15 No noxious or offensive activities shall be carried on, in or upon the Common Elements and Facilities or in any Unit nor shall anything be done therein either willfully or negligently which may be or become an annoyance or nuisance to the other residents in the Development.

Section 11.16 No immoral, improper, offensive or unlawful use shall be made of any Unit; and all laws, zoning ordinances and regulations of all governmental bodies having or claiming jurisdiction thereover shall be observed.

Section 11.17 Nothing shall be done to any Unit or on or in the Common Elements and Facilities which will impair the structural integrity of any Building or which will structurally change any Building. No Owner (other than Developer) may make any structural additions, alterations or improvements in or to his Unit or in or to the Common Elements and Facilities, without the prior written approval of the Board, or impair any easement without the prior written consent of the Board. The Board or the Covenants Committee, as appropriate shall have the obligation to answer any written request received by it from an Owner for approval of a proposed structural addition, alteration or improvement to his Unit within forty-five (45) days after the receipt of such request, and failure to do so within the stipulated time shall constitute a denial of the proposal. Any written request from an Owner must be sent certified mail, return receipt requested. Any application to any municipal authority for a permit to make an addition, alteration or improvement in or

to any Unit must be reviewed by the Board or Covenants Committee, as appropriate, and, if approved, shall be executed by the Board or Covenant Committee and may then be submitted by the Owner. Such approval, however, shall not incur any liability on the part of the Association to any contractor, subcontractor, or materialman on account of such addition, alteration or improvement, or to any person having any claim for injury to person or damage to property arising therefrom. The Owners shall furnish the Board or Covenants Committee, as appropriate, with a copy of any such permit which he has procured. The provisions of this section shall not apply to Units owned by the Developer until such Units have been initially sold and conveyed by the Developer.

Section 11.18 No signs (including but not limited to real estate "For Sale," "Sold" or "For Rent" signs) shall be erected or installed in or upon the Development, any Unit or the Common Elements and displayed for public view other than signs (including but not limited to real estate "For Sale," "Sold" or "For Rent" signs) displayed, erected or installed by the Developer.

Section 11.19 The Common Elements and Facilities shall be used only for the furnishing of the services and facilities for which they are reasonably intended and suited and which are incident to the use and occupancy of the Units.

Section 11.20 Leasing of Units:

11.20.1 No Unit shall be leased by the Owners thereof (except Developer and except a lender in possession of such Unit following a default in a first mortgage, a foreclosure proceeding or by any deed or other arrangement in lieu of foreclosure) or otherwise utilized for transient or hotel purposes, which shall be defined as "(i) rental for any period less than six (6) months; or (ii) any rental if the occupants of the Unit are provided customary hotel services, such as room service for food and beverages, maid service, furnishing laundry and linen, and bellboy service," provided, however, that any Owner may rent a Unit for a period of less than six (6) months to a contract purchaser thereof. No Owner may lease less than an entire Unit.

11.20.2 Other than the foregoing obligations, and except as may be provided otherwise in

Article 32, the Owners shall have the right to lease same provided that said lease is in writing, filed with the Secretary of the Association, and made subject to all provisions of this Master Deed, the Bylaws of the Association and other documents referred to herein, including the right of amendment reserved to Developer herein, and provided further that any failure of the lessee to fully comply with the terms and conditions of such documents shall constitute a default under the lease.

11.20.3

In the event a tenant of a Unit fails to comply with the provisions of this Master Deed, the Bylaws or Rules and Regulations then, in addition to all other remedies which it may have, the Association shall notify Owner of such violation(s) and demand that the same be remedied through the Owner's efforts within thirty (30) days after such notice. If such violation(s) is not remedied within said thirty (30) day period, then Owner shall immediately thereafter, at his own cost and expense, institute and diligently prosecute an eviction action against his tenant on account of such violation(s). Such action shall not be compromised or settled without the prior written consent of the Association. In the event Owner fails to fulfill the foregoing obligation, then the Board shall have the right, but not the duty, to institute and prosecute such action as attorney-in-fact for the Owner and at the Owner's sole cost and expense, including all legal fees incurred. Said cost and expenses shall be deemed to constitute a lien on the particular Unit involved, and collection thereof may be enforced by the Board in the same manner as the Board is entitled to enforce collection of Common Expenses. By acceptance of a deed to any Unit, each and every Owner does thereby automatically and irrevocably name, constitute, appoint and confirm the Board as his attorney-in-fact for the purposes described in this Section 11.19. This grant of a power of attorney is coupled with an interest in the Unit and is not affected by the death or disability of the Owner.

Section 11.21 All property taxes, special assessments and other charges imposed by any taxing authority are to be separately assessed against and collected on each Unit as a single parcel, as provided in the Condominium Act. In the event that for any year such taxes are not separately taxed to each Unit, but are taxed on the Development as a whole, then each Owner shall pay to the Association upon notification his proportionate share thereof in accordance with his proportionate undivided percentage interest in the Common Elements and Facilities.

Section 11.22 Each Owner shall cause to be installed and pay for his own telephone, cable television, and other utilities, which are separately metered or billed to each user by the respective utility company. Utilities which are not separately metered or billed or which serve the Common Elements and Facilities shall be treated as part of the Common Expenses.

Section 11.23 No clothes poles or lines shall be installed or maintained, but a collapsible clothes tree is permitted within the Unit, provided it be removed when not in use.

Section 11.24 No business, trade or profession shall be conducted in any Unit.

Section 11.25 Certain Units within the development have been designated Low Income and Moderate Income (the "Affordable Housing Units") housing, otherwise known as Mt. Laurel or Affordable Housing. Each Unit so designated shall be sold, leased or otherwise transferred by the developer and all subsequent sales, leases or transfers shall be subject to and in accordance with Article 32 hereof, the Law of the State of New Jersey known as Fair Housing Act, N.J.S.A. 52:27D-301 et seq., and the Revised General Ordinance of the Township of South Brunswick, 1975, Chapter XVI, Land Use together with all amendments thereto and the rules and regulations promulgated by the Affordable Housing Council of the State and the Municipality.

Section 11.26 No structure shall be built in the fire access area to the rear of the buildings.

ARTICLE 12. ENFORCEMENT OF RESTRICTIONS. The Board shall have the power to make such Rules and Regulations as may be necessary to carry out the intent of these use restrictions and shall have the right to bring law suits to enforce the Rules and Regulations so promulgated. The Covenants Committee or the Board whichever is applicable shall further have the right to levy fines for violations of these regulations. Each day that a violation continues after receipt of notice by the Unit Owner may be considered as a separate violation. Any fine so levied shall

be considered as a Common Expense to be levied against the particular Unit Owner involved, and collection may be enforced by the Board in the same manner as the Board is entitled to enforce collection of Common Expenses.

ARTICLE 13. NO PARTITION. Subject to the provisions of this Master Deed and Certificate of Incorporation, Bylaws and the Condominium Act, the Common Elements and Facilities shall remain undivided and no Owner(s) shall bring any action for partition or division thereof. In addition, the undivided percentage interest in the Common Elements and Facilities shall not be separated from the Unit to which it appertains and shall be deemed conveyed or encumbered with the Unit even though such interest is not expressly mentioned or described in the conveyance or other instrument.

ARTICLE 14. MEMBERSHIP IN THE ASSOCIATION. Upon acceptance of a Deed to a Unit each Owner of a Unit shall automatically become a Member of the Association and shall be a Member for so long as he shall hold legal title to his Unit subject to all provisions of this Master Deed, the Condominium Act, the Certificate of Incorporation, and the Bylaws and Rules and Regulations which may now or hereafter be established for or by the Association. The Developer shall be a Member of the Association with respect to all Units owned by it.

ARTICLE 15. COMPLIANCE BY OWNERS. Each Owner or occupant of Unit shall comply with, and shall assume ownership or occupancy subject to laws, rules and regulations of governmental authorities having or claiming jurisdiction over the Development, the provisions of this Master Deed, the Certificate of Incorporation, Bylaws, Rules and Regulations or any other documents, amendments or supplements to the foregoing as described in ARTICLE 10 hereof. Failure to comply with any of the foregoing shall be grounds for commencement of an action for the recovery of damages, or for injunctive relief, or both, by the Developer, the Association, or any Owner, in any court or administrative tribunal having jurisdiction, against any person or persons, firm or corporation violating or attempting to violate or circumvent any of the aforesaid, and against any Owner to enforce any lien created by this Master Deed or any covenant contained herein. Failure by the Developer, the Association, or any Owner to enforce any covenant herein contained for any period of time shall in no event be deemed a waiver or estoppel of the right to thereafter enforce the same.

ARTICLE 16. DAMAGE OR DESTRUCTION TO THE PROPERTY. If any Building or Common Element or Facility or any part thereof is damaged or destroyed by fire or casualty, the repair, restoration or ultimate disposition of any insurance proceeds shall be in accordance with the following:

Section 16.1 If the insurance proceeds derived from such loss amount to \$50,000 or less, then the Board shall contract with any licensed contractor or contractors to rebuild or repair such damage or destroyed portions of the Development in conformance with the original plans and specifications, or if adherence to such original plans and specifications is impracticable in the Board's opinion, then in conformance with revised plans and specifications provided such repairs or rebuilding shall be of a quality and kind substantially equivalent to the original construction.

Section 16.2 If the insurance proceeds derived from such loss exceed \$50,000.00, all such insurance proceeds shall be paid directly to an insurance trustee ("Insurance Trustee") as may be designated by the Board, as trustee for all Institutional Lenders holding first mortgages on the Development, and all Owners as their interests may then appear. Disbursement of such funds shall be made only upon the signatures of a majority of the members of the Board.

16.2.1 Upon notification of the receipt of insurance proceeds by the Insurance Trustee, the Board shall enter into a contract for a specific dollar amount with a licensed contractor or contractors for the repair or rebuilding of all of the damaged or destroyed portions of the Development, as nearly as practicable to the original plans and specifications thereof and in accordance with all applicable building codes.

16.2.2 The Board shall enter into said contract with a licensed contractor or contractors which shall have provisions for periodic disbursements of funds by the Insurance Trustee. Disbursements to the contractor shall be made subject to the prior presentation of an architect's certificate containing such provisions as may be appropriate in the circumstances and deemed suitable by the Board.

16.2.3 The Board shall employ a licensed architect to supervise the repair and rebuilding to insure that such work, services and supplies are of proper quality and that construction is contemplated in a workmanlike manner and according to plans and specifications.

Section 16.3 If the damage is only to those parts of a Unit for which the responsibility for maintenance and repair

is that of the Owner, then that Owner shall be responsible for reconstruction and repair, but the proceeds of any insurance that may have been obtained by the Association shall be made available for such purpose. Subject to the provisions of this Master Deed, in all other instances the responsibility of reconstruction and repair after casualty shall be that of the Association.

Section 16.4 If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction and repair, or if any time during reconstruction and repair, or upon completion of reconstruction and repair, the funds for payment of the costs thereof are insufficient, assessments shall be made by the Association in sufficient amounts to provide funds for the payment of such costs. Other than as provided in Article 32, such assessments shall be in proportion to the Owner's percentage interest in the Common Elements and Facilities. The foregoing provisions of this section are applicable to the repairs and reconstruction to be undertaken by the Association and do not cover damages to those portions of the Unit for which the responsibility of maintenance and repair is that of the Owner for which the costs and expenses must be borne by each Owner; provided, however, any portion of the insurance proceeds representing damage for which the responsibility of reconstruction and repair lies with an individual Owner shall be paid to said Owner, or if there is a mortgage endorsement as to such Unit, then to the Owner and mortgagee, jointly.

Section 16.5 If the amount of available insurance proceeds should exceed the cost of any such reconstruction or repair, the excess shall be retained by the Association and applied by it to reduce the Common Expenses.

Section 16.6 In the event the Association determines not to repair or restore the damaged property in accordance with N.J.S.A. 46:8B-24, any insurance proceeds payable to an Owner as a result of damage or destruction to his Unit and/or interest in the Common Elements and Facilities are hereby assigned and shall be paid to any appropriate Institutional Lender(s), as their interests may appear, for application to the appropriate mortgage indebtedness and the excess, if any, shall be paid to the appropriate Owners, all in accordance with N.J.S.A. 46:8B-24.

ARTICLE 17. EMINENT DOMAIN. If any Building, improvement or Common Element or Facility or any part thereof shall be taken, injured or destroyed by eminent domain, each Owner affected shall be entitled to notice of such taking and to participate through the Association in the proceeding incident thereto. Any awards made in connection with such proceedings shall be collected by the Association and applied or distributed by it in accordance with the following, unless the award or judgment provides to the contrary:

Section 17.1 Upon acquisition by the condemning authority, unless the judgment provides otherwise, each affected Unit's entire percentage interest and its Common Expense liability shall be automatically reallocated to the remaining Units in proportion to their respective percentage interests and the liabilities of such remaining Units before the taking, and the Association shall promptly prepare, execute, and record an amendment to the Master Deed reflecting the reallocations. Any remnant of a Unit remaining after a part of a Unit is taken under this section shall thereafter be a Common Element or Facility.

Section 17.2 Upon acquisition by the condemning authority, (1) each affected Unit's percentage interest, and its Common Expense liability shall be reduced in proportion to the reduction in square footage of each such Unit, and (2) the portion of percentage interest and Common Expense liability divested from the acquired Unit shall be automatically reallocated to the remaining Units in proportion to their respective percentage interests and the liabilities of such remaining Units, with the partially acquired Unit(s) participating in the reallocation on the basis of their reduced percentage interest and liabilities.

Section 17.3 If a part of the Common Elements and Facilities is acquired by eminent domain, the award must be paid to the Association. The Association shall divide any portion of the award not used for any restoration or repair of the remaining Common Elements and Facilities among the Owners in proportion to their respective percentage interest in the Common Elements and Facilities before the taking.

This Section shall be deemed to be supplemental to and not in derogation of the provisions of N.J.S.A. 46:8B-25.

ARTICLE 18. INSURANCE.

Section 18.1 Liability Insurance. To the extent obtainable at commercially reasonable rates, the Board shall obtain or cause to be obtained "broad-form" comprehensive public liability and property damage insurance covering liability for loss or damage to persons or property in such amounts, against such risks and in such insurance companies as the Board shall from time to time determine, but in no event less than One Million (\$1,000,000) Dollars for bodily injury, including deaths of persons and property damage arising out of a single occurrence. Such insurance shall include protection against bodily injury and property damage that results from the operation, maintenance or use of the Common Elements and Limited Common Elements, any legal liability that results from law suits related to employment contracts to which the Association is a party, and such other risks as are customarily covered in similar

projects. All liability insurance contracts shall contain severability of interest provisions or endorsement precluding the insurer's denial of a Unit Owner's claim because of negligent acts of the Association or other Unit Owners and cross liability endorsements to cover liabilities of the Association or the Unit Owners as a group to a Unit Owner.

Section 18.2 Property Insurance.

- 18.2.1 To the extent obtainable at commercially reasonable rates, the Board shall obtain or cause to be obtained blanket "all-risk" hazard insurance coverage covering damage to property, insuring (i) all of the Common Elements, including fixtures and equipment therein and thereof, and including all personal property owned by the Association and (ii) the Units (including such fixtures, equipment or other property within the Units which are originally provided by the Sponsor in the Units) exclusive of improvements and betterments installed in the Units by Unit Owners, and exclusive of personal property owned by the Unit Owners the "Insurable Property"). The Insurable Property shall be insured in and for the interest of the Association or the Board, all Unit Owners and their mortgagees, as their interests may appear, in a company or companies acceptable to the standards set by the Board in an amount equal to the maximum insurable replacement value, as determined annually by the Board, with an "agreed amount endorsement" or its equivalent and an "Inflation Guard Endorsement" (provided these two endorsements are commonly available and required by prudent institutional mortgage investors in the area in which the Condominium is located).
- 18.2.2 In the event any portion of the Condominium is situate within an area having special flood hazards and for which insurance has been made available under the National Flood Insurance Program (the NFIP), or other successor agency providing such insurance, the Association shall maintain, and pay the cost of as a Common Expense, the premiums upon a "master" or "blanket" policy of flood insurance on any buildings and other property covered by the Association's "all

risk" hazard insurance described in Subsection 18.2.1 above situated in such flood hazard area(s). Such flood hazard insurance coverage shall be in an amount not less than the lesser of: (1) the maximum coverage available under the NFIP, or successor agency, for all buildings and other Insurable Property within any portion of the Condominium located within a designated flood hazard area; (2) 100% of current "replacement cost" of all such buildings and other Insurable Property.

Section 18.3 General Insurance Provisions.

- 18.3.1 All policies shall be purchased by the Association for the benefit of the Association, Board, all Unit Owners, and their mortgagees, as their interests may appear; however, the Association and the Unit Owners shall be named insureds and it shall not be necessary to name the Board or each individual Unit Owner. Mortgagee endorsements may be issued upon request. The Association shall maintain the appropriate insurance coverage as is required under applicable law and under the guidelines and regulations promulgated by the Federal National Mortgage Association ("FNMA"), Federal Home Loan Mortgage Corporation ("FHLMC"), Department of Housing and Urban Development ("HUD") and the Veterans' Administration ("VA") or their successors including, without limitation, such fidelity bond coverage as is described in Section 6.9 of the By-laws. The Company or companies with whom the Board shall place its insurance coverage, as provided in this Master Deed, must be qualified and reputable companies, authorized to do business in the State of New Jersey and rated A, with a V financial size category by A. M. Best Company, Inc. in its "Key Rating Guide: Property Casualty" or a comparable rating if Best shall no longer be in existence. Premiums for such coverage and other expenses related to insurance shall be paid by the Board and charged as a Common Expense. All policies shall provide that they may not be cancelled or substantially modified, by any party, without at least

thirty (30) days' prior written notice to the Association and to each first mortgagee listed in the insurance policies. In addition, policies shall provide for the following: recognition of any Insurance Trust Agreement; a waiver of the right of subrogation against Unit Owners individually and against members of their households; the insurance is not prejudiced by any act or neglect of individual Unit Owners which is not in the control of such Owners collectively; and the policy is primary in the event the Unit Owner has other insurance covering the same loss (all of which are generally provided by insurer in the form of a "Special Condominium Endorsement" or its equivalent). Policies shall be deposited with the Board. Said policies shall provide that all insurance proceeds payable on account of loss or damage shall be payable to the Association and in the event of substantial damage to or destruction of a Unit, timely written notice shall be given to the Permitted First Mortgagee for that Unit of any such damage or destruction. The duty of the board, or any Insurance Trustee, shall be to receive such proceeds as are paid and hold the same for the purposes elsewhere stated herein, and for the benefit of the Association, the Unit Owners and their respective mortgagees as their interests may appear.

The types and amounts of insurance coverage described in this Article 18 are minimum amounts for 1987 based upon the requirements of the Act and the standards established by FNMA and FHLMC. The Board shall review, at least annually, all insurance coverage carried pursuant to this Master Deed to evaluate such coverage with respect to its compliance with the Master Deed and with respect to the then current requirements of the Condominium Act, N.J.S.A. 46:8B-1 et seq. and, to the extent the Condominium is or will be subject to the approval of FNMA, FHLMC, HUD or VA, standards set by FNMA, FHLMC, HUD and VA, as well as with respect to what is reasonably appropriate coverage for projects comparable to the property. In the event the Board

determines after such a review and evaluation that the insurance coverage required hereunder is not consistent with the requirements of the Act, the standards set by FNMA, FHLMC, HUD or VA or otherwise reasonably appropriate coverage when compared to coverage for projects comparable to the Property, the Board shall have the power to deviate from the specific provisions of this Article 18 only to the extent of providing such consistent and reasonably appropriate coverage, provided the Board shall provide the Owners and their mortgagees at least thirty (30) days' prior written notice of any such deviation.

Section 18.4 The Board is hereby irrevocably appointed agent for each Unit Owner and mortgagee for the purpose of compromising and settling claims arising under insurance policies purchased by the Condominium Association, and to execute and deliver releases therefore, upon the payment of claims.

Section 18.5 The Board shall also obtain the following insurance, coverages and endorsements as may be applicable to the Condominium, all premiums for which are to be charged as Common Expenses:

- 18.5.1 Workmen's Compensation Policy to meet the requirements of law.
- 18.5.2 Directors' and Officers' Liability and such other insurance as the Board shall deem necessary to satisfy the indemnification obligations of the Condominium Association as provided in Article 11 of the By-laws. While the Developer maintains a majority of the Board, it shall post a fidelity bond or other guarantee acceptable to the New Jersey Department of Community Affairs, in an amount equal to the annual budget. For the second and succeeding years, the bond or other guarantee shall include accumulated reserves.
- 18.5.3 Such other insurance as the Board shall determine from time to time to be necessary or desirable.
- 18.5.4 If available, and where applicable, the Board shall endeavor to obtain policies which provide that the insurer waives its

right of subrogation as to any claims against Unit Owners and members of their households, the Association, the Board the their respective servants, agents and guests.

Section 18.6 Notwithstanding the duty of the Board to maintain and repair parts of the Property, the Board shall not be liable for injury or damage caused by the failure of the Board to maintain or repair the same, except to the extent of the proceeds of insurance carried by the Board and collected and received therefor.

ARTICLE 19. AMENDMENT OF MASTER DEED. This Master Deed may be amended at any time after the date hereof by a vote of at least two-thirds (2/3) of all Owners at any meeting of the Association duly held in accordance with the provisions of the Bylaws provided, however, that any amendment so requiring it under the provisions of ARTICLE 25, shall also have the prior written approval of each Institutional Lender and further provided that any amendment so requiring it under the provisions of ARTICLE 32 shall have the prior written approval of the Affordable Housing Agency of the Township of South Brunswick. No amendment shall be effective until recorded in the Office of the Clerk of Middlesex County, New Jersey. This paragraph is by way of supplement to and not in derogation of the powers of amendment reserved to Developer pursuant to ARTICLE 10 hereof. In the alternative, an amendment may be made by an agreement, signed and acknowledged by all of the Owners in the manner required for the execution of a deed, and such amendment shall be effective when recorded in the Office of the Clerk of Middlesex County, New Jersey.

ARTICLE 20. ENFORCEMENT.

Section 20.1 Enforcement of this Master Deed shall be by any appropriate proceeding in law or equity in any court or administrative tribunal having or claiming jurisdiction against any person or persons, firm or corporation violating or attempting to violate any covenant herein contained. An action may be instituted either to restrain or enjoin such violation or threatened violation or to recover damages. Failure by the Association or any Member thereof to enforce any covenant herein contained for any period of time shall in no event be deemed a waiver or estoppel of the right to thereafter enforce the same.

ARTICLE 21. WAIVER. No provision contained in this Master Deed shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

ARTICLE 22. GENDER. The use of the masculine gender in this Master Deed shall be deemed to refer to the feminine gender and the use of the singular shall be deemed to refer to the plural, and vice versa, whenever the context so requires.

ARTICLE 23. RATIFICATION, CONFIRMATION AND APPROVAL OF AGREEMENTS. The fact that some or all of the officers, Directors, Members or employees of the Association and the Developer may be identical, and the fact that the Developer or its nominees have heretofore or may hereafter enter into agreements with the Association or with third parties, will not invalidate any such agreements. The Association and its Members, from time to time, will be obligated to abide by and comply with the terms and conditions of such agreements. The purchase of a Unit, and the acceptance of the deed therefor by any party, shall constitute the ratification, confirmation and approval by such purchaser (his heirs, legal representatives, successors and assigns) of the propriety and legality of such agreements or any other agreements authorized and permitted by the Condominium Act, this Master Deed, the Certificate of Incorporation or the Bylaws. This ratification, confirmation and approval shall be subject to the provisions of The Planned Real Estate Development Full Disclosure Act, N.J.S.A. 45:22A-21 et seq.

ARTICLE 24. RIGHTS RESERVED TO DEVELOPER. Anything to the contrary herein or in the Certificate of Incorporation or Bylaws of the Association notwithstanding, Developer hereby reserves for itself, its successors and assigns, for so long as it owns one or more Units in the Development, the right to sell, lease, mortgage or sublease any unsold Units within the Development.

ARTICLE 25. PROTECTIVE PROVISIONS FOR THE BENEFIT OF INSTITUTIONAL LENDERS. Anything to the contrary in this Master Deed or the Bylaws or Certificate of Incorporation notwithstanding, the following shall apply with respect to each Institutional Lender.

Section 25.1 The prior written approval of each Institutional Lender who requested notice is required for the following events:

- 25.1.1 The abandonment or termination of the Development except for abandonment or termination provided by law in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain;
- 25.1.2 Any material amendment to the Master Deed or to the Bylaws or Certificate of

Incorporation, including, but not limited to, any amendment which would change the percentage interests of the Owners in the Development, except for such amendments as may be permitted pursuant to ARTICLES 4 and 10 of this Master Deed.

Section 25.2 No Unit in the Development may be partitioned or subdivided without the prior written approval of any Institutional Lender for such Unit.

Section 25.3 Any lien the Association may have on any Unit in the Development for the payment of Common Expenses assessments attributable to each Unit is subordinate to the lien or equivalent security interest of any Permitted First Mortgage on the Unit recorded prior to the date any such Common Expense assessment became due.

Section 25.4 Any Institutional Lender, provided said Institutional Lender holds a Permitted First Mortgage lien on the Unit, shall upon request:

- 25.4.1 be permitted to inspect the books and records of the Association during normal business hours;
- 25.4.2 receive an annual audited financial statement of the Association within one hundred and twenty (120) days following the end of any fiscal year of the Association;
- 25.4.3 receive written notice of all meetings of the Association and be permitted to designate a representative to attend all such meetings; and
- 25.4.4 receive written notice of any default in the payment of any Common Expense assessment installments which is more than thirty (30) days in arrears.

Section 25.5 In the event of substantial damage to or destruction of any Unit or any part of the Common Elements and Facilities, any Institutional Lender which may be affected shall be entitled to timely written notice of any such damage or destruction. No Owner or other party shall have priority over such Institutional Lender with respect to the distribution to such Unit of any insurance proceeds.

Section 25.6 If any Unit (or portion thereof) of the Common Elements and Facilities (or any portion thereof) is

made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, then the Institutional Lender(s) holding a Permitted First Mortgage on the Unit(s) is entitled to timely written notice of any such proceeding or proposed acquisition and no Owner or other party shall have priority over such Institutional Lender with respect to the distribution to such Unit(s) of the proceeds of any award or settlement.

Section 25.7 Any Institutional Lender who holds a Permitted First Mortgage lien on a Unit who obtains title to the Unit as a result of foreclosure or the first mortgage, or by deed or assignment in lieu of foreclosure, or any purchaser in a foreclosure sale, or their respective successors and assigns, is not liable for the share of Common Expenses or other assessments by the Association pertaining to such Unit or chargeable to the former Owner which became due prior to acquisition of title. Such unpaid share of Common Expenses and other assessments shall be deemed to be Common Expenses collectible from all of the remaining Owners including such acquirer, his successors and assigns.

Section 25.8 Notwithstanding the absence of any express provision to such effect in the mortgage instrument, in the event that there is any default in the payment of any installment of a Common Expense assessment with respect to any Unit, either regular or special, any Institutional Lender holding a mortgage which encumbers such Unit shall be entitled to declare such mortgage in default in the same manner that is permitted by such mortgage with respect to any default in the payment of real estate taxes.

ARTICLE 26. DURATION. Except as provided in ARTICLE 32, the provisions of this Master Deed shall be perpetual in duration, shall run with and bind all of the land included in the Development and shall inure to the benefit of and be enforceable by the Association and the Owners, their respective successors, assigns, heirs, executors, administrators, and personal representatives, except that the covenants and restrictions set forth in ARTICLE 11 shall have an initial term of forty years from the date of this Master Deed is recorded in the Office of the Middlesex County Clerk, at the end of which period such covenants and restrictions shall automatically be extended for successive periods of ten (10) years each, unless at least two-thirds (2/3) of the Owners at the time of expiration of the initial period, or of any extension period, shall sign an instrument, or instruments (which may be in counterparts), in which they shall agree to change said covenants and restrictions in whole or in part; but no such agreement shall become binding unless written notice containing the terms of the proposed agreement is sent to every Owner at least ninety (90) days in

advance of the action taken in authorizing said agreement. In any event, any changes concerning any such agreement shall not become effective and binding until three (3) years after the recording of the aforesaid fully executed instrument or instruments containing such agreement. In no event may the Common Elements and Facilities be conveyed to any third person, firm or corporation, without (1) first offering to dedicate same to the Township of South Brunswick, in the County of Middlesex, a municipal corporation, pursuant to N.J.S.A. 40:55D-43, and (2) the express consent, by ordinance, of the Township Committee of the said Township of South Brunswick (or such municipal corporation or other governmental entity as may then have zoning and subdivision jurisdiction over the Development).

ARTICLE 27. RULE AGAINST PERPETUITIES. If any provision of this Master Deed, or the Bylaws shall be interpreted to constitute a violation of the rule against perpetuities, then such provision shall be deemed to remain in effect until the death of the last survivor of the now living descendants of Robert F. Kennedy, deceased, former Senator of the State of New York, plus twenty-one (21) years thereafter.

ARTICLE 28. SPECIAL DEVELOPER'S RIGHTS.

Section 28.1 No special rights created or reserved to the Developer under this Master Deed ("Special Developer Rights") may be transferred except by an instrument evidencing the transfer recorded in the Office of the County Clerk of Middlesex County, New Jersey. The instrument shall not be effective unless executed by the transferor.

Section 28.2 Upon transfer of any such Special Developer Right, the liability of the transferor is as follows:

- 28.2.1 A transferor is not relieved of any obligation or liability arising before the transfer and remains liable for warranty obligations imposed upon him. Lack of privity does not deprive any Owner of standing to bring an action to enforce any obligation of the transferor.
- 28.2.2 If a transferor retains any such Special Developer Right, or if a successor to any such Special Developer Right is an affiliate of the Developer, the transferor is subject to liability for all obligations and liabilities imposed on a Developer, or by the Master Deed, arising after the transfer, and is jointly and severally liable with the successor for the liabilities and obligations

of the successor which relate to the Development.

- 28.2.3 A transferor who retains no such Special Developer Rights has no liability for any act or omission or any breach of a contractual or warranty obligation arising from the exercise of any such Special Developer Right by a successor Developer who is not an affiliate of the transferor.

Section 28.3 Unless otherwise provided in a mortgage instrument under foreclosure of a mortgage, sale under the Bankruptcy Code, or receivership or assignment for the benefit of creditors proceedings of any Units owned by Developer in the Development, a person acquiring title to the Units being foreclosed or sold (but only upon his request) succeeds to all such Special Developer Rights requested. Such a person acquiring title may request and will succeed to only such Special Developer rights to maintain models, sales offices and signs. The judgment or instrument conveying title shall provide for transfer of only the Special Developer Rights requested.

Section 28.4 Upon foreclosure or sale under the Bankruptcy Code or receivership or assignment for the benefit of creditors proceedings of all Units in the Development owned by Developer:

- 28.4.1 The Developer ceases to have any such Special Developer Rights, and
- 28.4.2 The period of Developer control terminates unless the judgment or instrument conveying title provides for transfer of all such Special Developer Rights to a successor to Developer.

Section 28.5 The liabilities and obligations of persons who succeed to all Special Developer Rights are as follows:

- 28.5.1 A successor to all such Special Developer Rights who is an affiliate of the Developer is subject to all obligations and liabilities imposed on any Developer by law or by the Master Deed.
- 28.5.2 A successor to all such Special Developer Rights, other than a successor described in subsections 28.5.3 and 28.5.4 who is not an affiliate of Developer, is subject to all

obligations and liabilities imposed upon Developer by law or the Master Deed, but such successor is not subject to liability for misrepresentations or warranty obligations on improvements made by any previous Developer or made before the Development was created, or for a breach of fiduciary obligation by any previous Developer.

28.5.3 A successor to only a Special Developer Right to maintain models, sales offices and signs (provided the successor is not an affiliate of Developer) may not exercise any other Special Developer Right but is not subject to any liability or obligation as a Developer.

28.5.4 A successor to all Special Developer Rights (who is not an affiliate of Developer and who succeeded to those rights pursuant to a deed in lieu of foreclosure or a judgment or instrument conveying title to Units under Section 23.3 aforesaid) may declare his intention in a recorded instrument to hold those rights solely for transfer to another party. Thereafter, until transferring all such Special Developer Rights to any person acquiring title to any Unit owned by the successor, or until recording an instrument permitting exercise any of those rights other than right to control, any attempted exercise of those rights is void. So long as a successor Developer may not exercise special rights under this subsection he is not subject to any liability or obligation as a Developer other than liability for the successor's acts and omissions under the Master Deed.

Section 28.6 Nothing in this paragraph subjects any successor to a Special Developer Right to any claims against or other obligations of a transferor other than claims and obligations arising under the Master Deed.

Section 28.7 Any successor to a Special Developer Right shall register with the Department of Community Affairs (DCA) pursuant to the Planned Real Estate Development Full Disclosure Act, N.J.S.A. 45:22A-21 et seq., as amended, or obtain an exemption from DCA therefrom.

ARTICLE 29. RIGHTS OF PERMITTED FIRST MORTGAGEES.

Section 29.1 Consents. The Association shall not, without the prior written consent of two-thirds of the First Mortgagees holding Permitted First Mortgages (such vote being based upon one vote for each First Mortgage held on each Unit by such First Mortgagee) or Owners other than the Developer:

- 29.1.1 by act or omission, seek to abandon, partition, subdivide, encumber, sell, or transfer the Common Elements and Facilities, except for the granting of easements for public utilities, cable communications or for other purposes consistent with the use of such areas by the Association;
- 29.1.2 change the method of determining the assessments that are levied against an Owner of a Unit by the Association;
- 29.1.3 change, waive, or abandon any covenants or regulations or the enforcement thereof pertaining to the architectural design or the exterior appearance of the Units, the exterior maintenance of such Units, the maintenance of the walkways, fences and/or driveways in the Common Elements and Facilities or the upkeep of lawns, shrubbery and other plantings in the Common Elements and Facilities and/or surrounding the Units;
- 29.1.4 fail to maintain fire and extended coverage insurance on the Common Elements and Facilities on a current replacement cost basis in an amount not less than 100% of the insurable value based on current replacement costs; and
- 29.1.5 use any hazard insurance proceeds for losses to any Common Elements and Facilities for other than the repair, replacement or reconstruction of such Common Elements and Facilities.
- 29.1.6 by act or omission, seek to abandon or terminate the condominium;
- 29.1.7 change the pro-rata interest or obligations of any Unit for the purpose of: (i) levying assessments or charges allocating distributions of hazard insurance proceeds or

condemnation awards or (ii) determining the pro-rata share of ownership of each unit in the common elements and facilities; and

29.1.8 partition or subdivide any Unit.

Section 29.2 Payment of Taxes, etc. by First Mortgagees on the Common Elements and Facilities. The First Mortgagees holding mortgages on any Units may, jointly or singularly, pay taxes or other charges which are in default and which may or have become a charge against any Common Elements and Facilities and may pay overdue premiums on hazard insurance policies or secure new hazard insurance coverage on the lapse of a policy for the Common Elements and Facilities. Such First Mortgagees making such payments shall be owed immediate reimbursement therefor from the Association. This provision shall be considered and interpreted so that any of such First Mortgagees shall be considered a third party beneficiary of the rights contained in this section.

Section 29.3 No provision of this Master Deed or any other document executed in connection with the Development shall give an Owner or any other party priority over any right of the First Mortgagee of any Unit contained in its mortgage in the case of a distribution to such Owner of insurance premiums or condemnation awards for losses or taking of any Common Elements and Facilities.

Section 29.4 A First Mortgagee and/or any Federal Mortgage Agency, upon notification to the Association, shall be entitled to written notification from the Association of any default (which is not cured within 60 days from the date of such default) in the performance by the Owner of Unit upon which the First Mortgagee or Federal Mortgage Agency holds a mortgage of any obligation of the Owner created by this Master Deed or any other document relative thereto.

ARTICLE 30. STREETS, PARKING LOTS AND PARKING SPACES. All streets, curbs, roads, detention facilities, parking lots, and parking spaces within the Development are private and not in any way dedicated to the Township of South Brunswick in the County of Middlesex and are to be maintained by the Association as part of the Common Elements and Facilities in accordance with the terms and provisions of the Master Deed.

ARTICLE 31. MANAGEMENT AGREEMENT. So long as Developer controls the Association or prior to the Owners having elected at least seventy-five (75%) percent of the Directors of the Association, any management, employment, service or maintenance agreement or agreement for the supply of equipment or material, which is directly or indirectly made by or on behalf of

the Association with the Developer or a company owned, operated or controlled by the Developer, or in which the Developer has a financial interest, shall not be entered into for a period in excess of one year. Any such contract or lease may not be renewed or extended in periods of excess of one year and at the end of any one year period, the Association may terminate any further renewals or extension thereof.

ARTICLE 32. AFFORDABLE HOUSING UNITS.

Section 32.1 One (1) Unit in the Development has been designated a "Lower Income Unit" and four (4) Units in the Development have been designated "Moderate Income Units," as those terms are defined by the Township of South Brunswick affordable housing ordinances and the New Jersey Fair Housing Act, N.J.S.A. 52:27D-301 et seq., and the regulations adopted pursuant thereto. For purposes of this Article 32, said Lower Income Unit and Moderate Income Units are sometimes collectively referred to herein as "Affordable Housing Units." Notwithstanding anything to the contrary in this Master Deed, the following provisions shall apply to Affordable Housing Units in the Development:

- 32.1.1 Owners of Affordable Housing Units may not sell their Units on resale for a purchase price greater than the original purchase price as reflected in their individual Unit Deed plus a percentage increase based upon the Consumer Price Index (New York City-Northeastern New Jersey-all items)(hereinafter "CPI") increase or other equivalent index determined by the Affordable Housing Agency of the Township of South Brunswick. Notwithstanding the foregoing, the resale price of an Affordable Housing Unit may exceed the original purchase price plus a percentage increase based upon the CPI increase if (a) the additional amount reflects the cost of amenities or improvements to the Affordable Housing Units added by the Owners thereof and the Affordable Housing Agency of the Township of South Brunswick by its rules and regulations permits the cost of such amenities or improvements to be added to the purchase price otherwise permitted, or (b) if a greater sum is required to pay off and discharge any existing first mortgage on the Affordable Housing Unit.

32.1.2 Owners of Affordable Housing Units may not sell their Units on resale to a person or family other than one certified by the Affordable Housing Agency of the Township of South Brunswick as qualifying as a person or family of low or moderate income, as the case may be, and such sale must in all respects be in compliance with any applicable rules, regulations and requirements duly promulgated by the Affordable Housing Agency of the Township of South Brunswick. However, nothing contained herein shall restrict or preclude any Owner or Owners qualifying as a low or moderate income household at the time said Owner or Owners purchased an Affordable Housing Unit from continuing to own said Affordable Housing Unit after his or her income exceeds the income ceilings established by the Affordable Housing Agency.

32.1.3 In addition to the foregoing, resale of Affordable Housing Units shall be subject to the rules and regulations of the Affordable Housing Agency of the Township of South Brunswick, and all resales of Affordable Housing Units shall be subject to its approval, which approval shall not be withheld if the purchaser qualifies as a low or moderate income person or family, as the case may be, and if the purchase price as required by the contract of sale is not greater than permitted by Section 32.1.1.

Section 32.2 Affordable Housing Units shall at all times remain owner-occupied except that in exceptional circumstances to be determined by the Affordable Housing Agency of the Township of South Brunswick, such Affordable Housing Units may be leased for limited periods, not to exceed one year, upon such conditions as may be set forth in the rules and regulations of said Agency.

Section 32.3 Owners of Affordable Housing Units shall maintain such Units in accordance with the standards applicable to all other Units in the Development. In the event an Affordable Housing Unit Owner fails to so maintain a Unit, the Association may do so at the cost and expense of said Owner, and the Association shall have a lien on the unit for the recovery of all sums expended for such purposes.

Section 32.4 Other than as provided in Section 32.3:

32.4.1 Any and all Common Expense assessments upon the designated Lower or Moderate Income Unit shall be limited to 33.3% of the total individual Unit assessment which would have been levied upon all Units had such assessment been allocated equally upon all Units in the Development;

32.4.2 Notwithstanding the foregoing provisions of the Section 32.4, commencing upon the date upon which the provisions of this Article 32 terminate as to any designated Affordable Housing Unit pursuant to Section 32.7, or otherwise, that Unit shall be assessed and the Owner thereof shall be obligated to pay assessments on the same basis as those Units which are not designated Affordable Housing Units.

Section 32.5. The allocation of the division of proceeds, if any, resulting from casualty loss, any eminent domain proceedings, any common surplus of the Association, or from any other disposition of the Development shall be based upon 33.3% of the percentage interest of a Lower or Moderate Income Unit in the Common Elements and Facilities.

Section 32.6 The Association shall carry insurance coverage upon Affordable Housing Units equal to the replacement cost of such Affordable Housing Units in the event of total destruction, and such Affordable Housing Units shall be rebuilt and replaced, subject to the provisions of this Article 32, in the event the Association elects to rebuild such Affordable Housing Units. If the Association elects not to rebuild and dissolves the Association or Condominium as provided in this Master Deed, then the five (5) Affordable Housing Units shall be forever released from the restrictions and requirements of this ARTICLE 32.

Section 32.7 The terms, restrictions, provisions and covenants of this ARTICLE 32 as to any Affordable Housing Unit shall automatically expire and terminate at the earliest of the following:

32.7.1 Thirty (30) years from the date of the first conveyance of the Affordable Housing Unit by the Developer; or

32.7.2 The date upon which the right of redemption expires with respect to the foreclosure of the first mortgage lien upon an Affordable Housing Unit as this ARTICLE 32 applies to

the specific Affordable Housing Unit which is subject to foreclosure; or

32.7.3 The date upon which the Association or Condominium ceases to exist or dissolves for any reason and for any period of time; or

32.7.4 The date upon which the Affordable Housing Agency of the Township of South Brunswick, acting pursuant to law, permits the Association to amend this Master Deed to remove any of such terms, restrictions, provisions or covenants and the Association so amends this Master Deed and records such amendment.

Section 32.8 The Affordable Housing Units shall be deemed designated as such upon the recording of a Unit Deed for an Affordable Housing Unit, which Unit Deed shall specifically state that said Affordable Housing Unit is a Lower Income Unit or Moderate Income Unit, as the case may be, and is conveyed subject to all of the terms, restrictions, provisions and covenants of this ARTICLE 32.

Section 32.9 The Association shall have no responsibility whatsoever for implementing, enforcing or supervising compliance by Affordable Housing Unit Owners with this ARTICLE 32, except that the Association shall serve written notice upon the Affordable Housing Agency of the Township of South Brunswick in the event that payment of the Common Expense assessment upon an Affordable Housing Unit is more than three months or one calendar quarter in arrears.

Section 32.10 Unless required by the New Jersey Department of Community Affairs or other preemptive governmental authority, neither the Developer nor the Association shall amend or alter the provisions of this ARTICLE 32 without the prior written approval of the Affordable Housing Agency of the Township of South Brunswick.

ARTICLE 33. INVALIDITY. The invalidity of any provision of this Master Deed, the Certificate of Incorporation, or Bylaws of the Association shall not be deemed to impair or affect in any manner the validity, enforceability or effect the remainder of this Master Deed or Bylaws and in such event all of the other provisions of this Master Deed and Bylaws shall continue in full force as if such invalid provisions had never been included.

ARTICLE 34. APPENDICES. Attached hereto and made a part hereof are the following Appendices:

APPENDIX "A" - Metes and bounds description of the Development.

APPENDIX "B" - Site Plan/Survey of the Property.

APPENDIX "C" - Engineering and Architectural Drawings.

APPENDIX "D" - Bylaws of Regal Point Condominium Association, Inc.


APPENDIX "E" - Percentage of Interest Schedule.

IN WITNESS WHEREOF, Developer has caused this instrument to be executed and sealed the day and year first above written.

ATTEST:

REGAL POINT, INC.


Donald E. Williams, Secretary

BY: 
James W. Boyd, President

STATE OF NEW JERSEY)
) SS
COUNTY OF MERCER)

I certify that on the 2ND day of MARCH, 1988,
James W. Boyd personally came before me and this person
acknowledged under oath, to my satisfaction, that:

(a) this person signed, sealed and delivered the within
instrument as President of Regal Point, Inc., the corporation
named in the within instrument;

(b) the proper corporate seal was affixed;

(c) the written instrument was signed and made by the
corporation as its voluntary act and deed by virtue of authority
from its Board of Directors.



Donald E. Williams

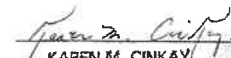
STATE OF NEW JERSEY)
) SS
COUNTY OF MERCER)

BE IT REMEMBERED, that on this 2ND day of MARCH,
1988, the subscriber, a Notary Public or an Attorney at Law of
New Jersey, personally appeared DONALD E. WILLIAMS
who, being by me duly sworn upon his oath, deposes and makes
proof to my satisfaction, that he is the Secretary of Regal
Point, Inc., the corporation named in the within instrument; that
James W. Boyd is the President of said corporation; and the
execution, as well as the making of this instrument, has been
duly authorized by a proper resolution of the Board of Directors
of the said corporation; that deponent well knows the corporate
seal of said corporation; and that the seal affixed to said
instrument is the proper corporate seal and was thereto affixed
and said instrument signed and delivered by said President as and
for the voluntary act and deed of said corporation, in presence
of deponent, who there upon subscribed his name thereto as
attesting witness, and has signed this proof to attest to these
facts.



Donald E. Williams

Sworn and subscribed to before
me the date aforesaid.


KAREN M. CINKAY
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires May 19, 1992

BOOK 3686 PAGE 497

BOOK 3686 PAGE 498

~~000101~~

EXHIBIT 1A - LEGAL DESCRIPTION OF
PROPERTY

SCHEDULE "A"

DESCRIPTION

ALL that certain tract, lot and parcel of land lying and being in the Township of South Brunswick, County of Middlesex, and State of New Jersey, being more particularly described as follows:

BEGINNING at a point in the westerly right-of-way line of Georges Road, 36 feet as measured at right angles from the centerline thereof, said point bearing along said line the following two (2) courses; from the northerly terminus of a transition curve connecting said westerly right-of-way line of Georges Road with the northerly right-of-way line of Kingston Lane, 36 feet as measured at right angles from the centerline thereof, thence; (A) North 14 degrees, 20 minutes, 0 seconds West 411.58 feet to a point, thence; (B) North 13 degrees 40 minutes 00 seconds West 16.02 feet to the aforesaid beginning point, said beginning point also being a corner to lands of St. Cecilia Church (Lot 12.141) and from said beginning point running thence;

(1) Along the northeasterly line of the last mentioned lands, South 67 degrees 41 minutes 40 seconds West 769.88 feet to a point in the easterly line of lands of Board of Education of the Township of South Brunswick, thence;

(2) Along the last mentioned lands the following two (2) courses; North 18 degrees 00 minutes 00 seconds West 552.53 feet to a point, thence;

(3) North 66 degrees 46 minutes 40 seconds East 529.64 feet to the northwesterly corner of lands of Beverley J. and Enrico Vendeti, thence;

(4) Along the last mentioned lands the following two (2) courses; South 5 degrees 34 minutes 20 seconds East 178.52 feet to a point, thence;

(5) North 78 degrees 5 minutes 40 seconds East 305.89 feet to a point in the aforementioned westerly right-of-way line of Georges Road, thence;

(6) Along the last mentioned line, South 13 degrees 40 minutes 00 seconds East 337.09 feet to the point and place of BEGINNING.

Containing 8.752 acres.

The above described premises also being known as Lot 12.142, in Block 87, on Sheet 27, of the South Brunswick Township Tax Map.

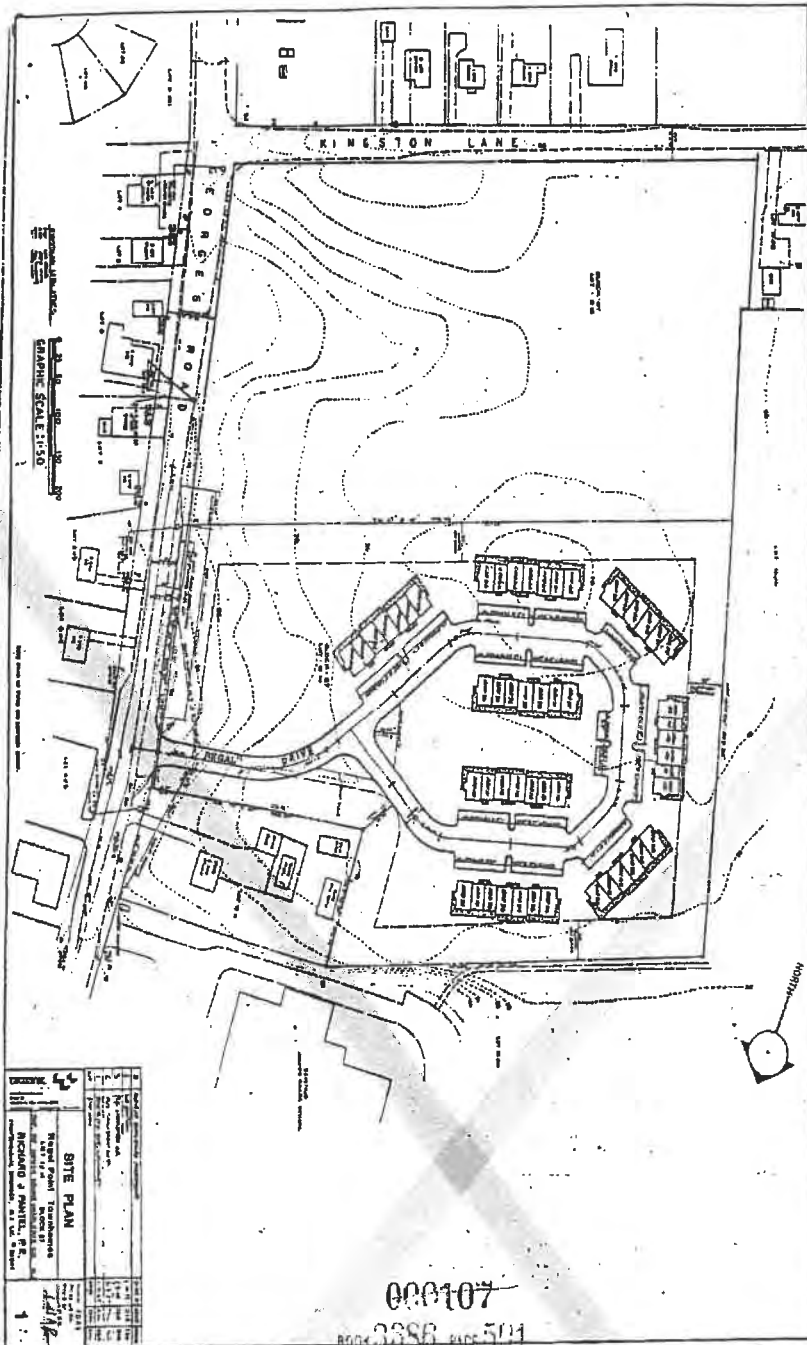
000103

56043686 PAGE 499

BOOK 3686 PAGE 500

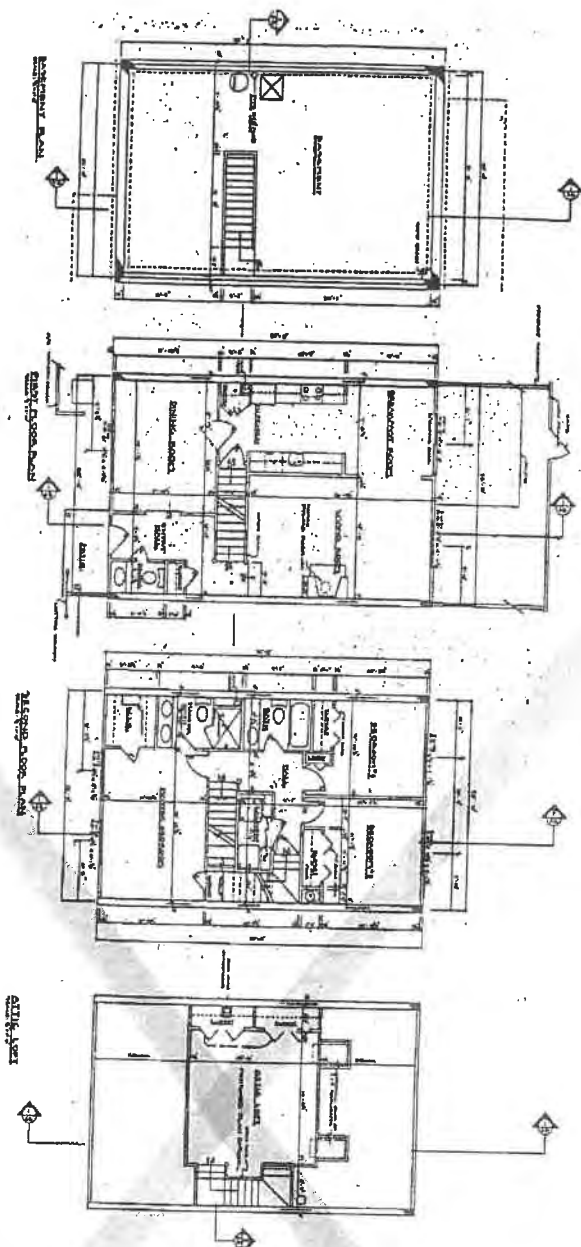
000106

EXHIBIT 1B - SITE PLAN/SURVEY OF
PROPERTY



~~000103~~

EXHIBIT 1C - ENGINEERING AND
ARCHITECTURAL DRAWINGS
BOOK 3686 PAGE 502



000102

2 B	ROWLAND ASSOCIATES ARCHITECTS PLANNERS	11' 0" INTERIOR UNIT 686 PAGE 03	REGAL POINT 10000 REGAL POINT BLVD. NEWPORT NEWS, VA 23606
-----	---	-------------------------------------	---

(Continued)



First Name

Abstract

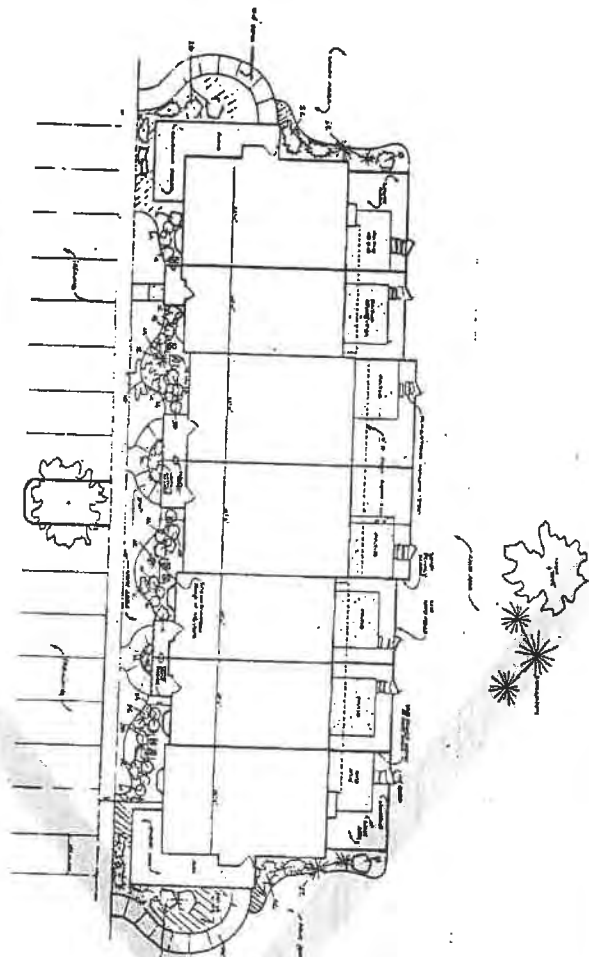
1

000110

ROWLAND ASSOCIATES
ARCHITECTS PLANNERS
2000 AND 2001 AIA Awardees
2000 AIA Awardees
2001 AIA Awardees

C UNIT
11:50-12:00 PM

REGAL POINT
GEORGETOWN ROAD
CHRYSLER CREDIT CORPORATION, FORT WORTH, TEXAS



TYPICAL FOUNDATION LANDSCAPE PLAN

1/4" = 1' - 0"

000000 PAGE 0800-0000

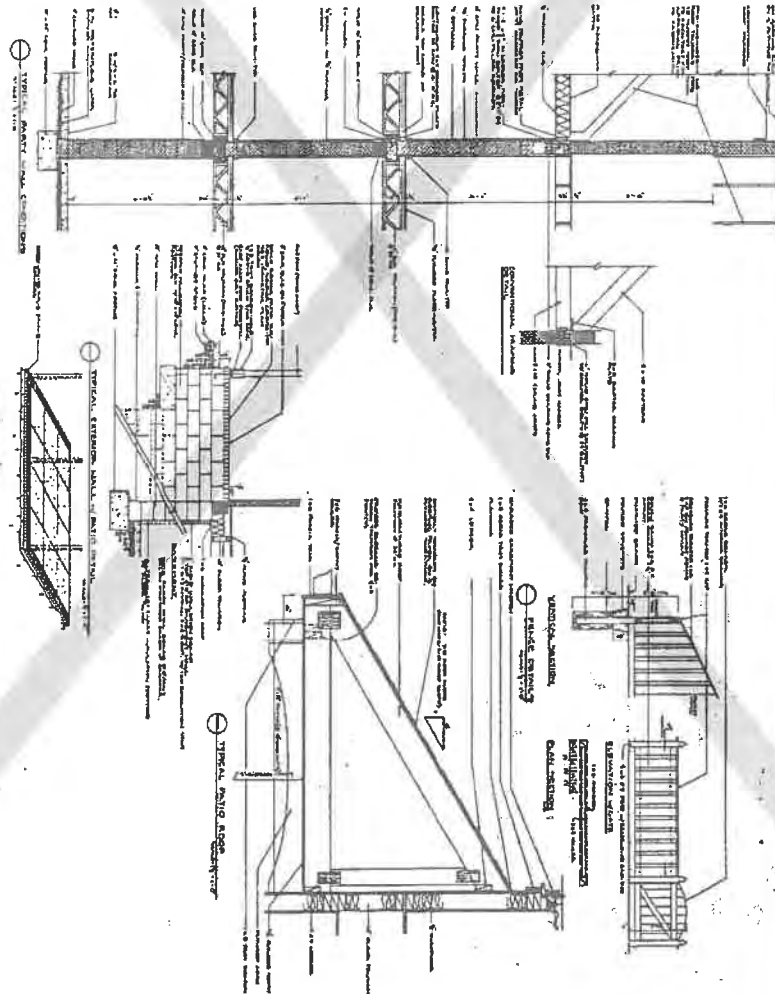
- 1. PLANTING SPECIFICATIONS
- 2. PLANTING SCHEDULE
- 3. PLANTING DETAILS
- 4. PLANTING NOTES
- 5. PLANTING LEGEND
- 6. PLANTING MATERIALS
- 7. PLANTING METHODS
- 8. PLANTING MAINTENANCE
- 9. PLANTING COSTS
- 10. PLANTING SOURCES

<p>1-1</p>	<p>ROWLAND ASSOCIATES ARCHITECTS PLANNERS</p>	<p>REGAL POINT GEORGETOWN, SOUTH CAROLINA 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100</p>
------------	--	--

3150-505

BOOK 3686 PAGE 506

000112

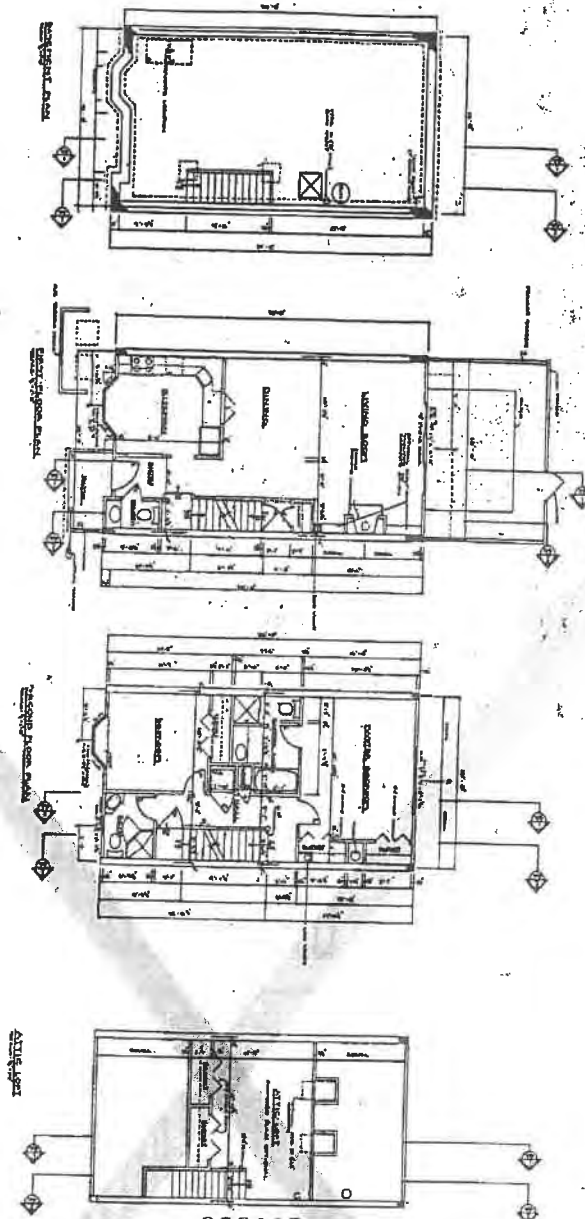


ROWLAND ASSOCIATES
ARCHITECTS
PLANNERS

DETAILS

REGAL POINT
KANSAS CITY, MISSOURI

BOOK 3686 PAGE 507



000113

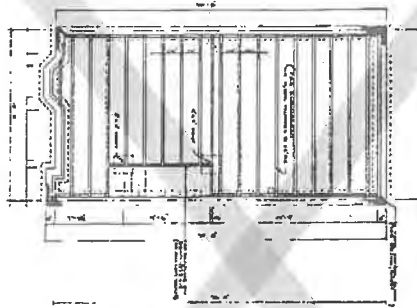
DATE	10/1/88
BY	ROWLAND ASSOCIATES
FOR	ROWLAND ASSOCIATES
SCALE	AS SHOWN
PROJECT	ROWLAND ASSOCIATES

ROWLAND ASSOCIATES
ARCHITECTS
PLANNERS

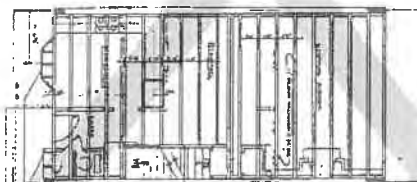
A-1017
ROWLAND ASSOCIATES

REGAL POINT
ROWLAND ASSOCIATES

SECTION 1 - NORTH ELEVATION



SECTION 2 - SOUTH ELEVATION



SECTION 3 - WEST ELEVATION



SECTION 4 - EAST ELEVATION



000111

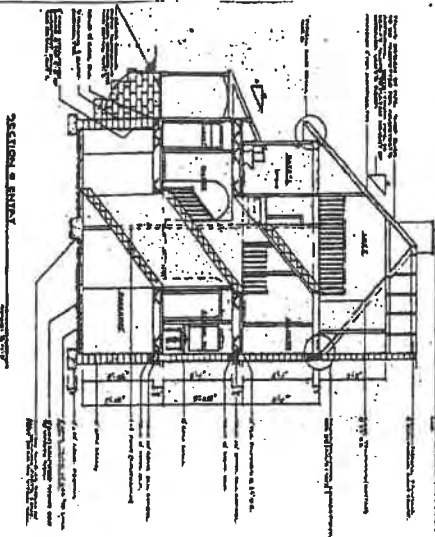
5A

ROWLAND ASSOCIATES
ARCHITECTS
PLANNERS

ALBERT
W.D. STEINER
PLANNING FIRM

REGAL POINT
GEORGE'S ROAD
SOUTH BRANFORD TOWNSHIP, PROCESSION CO., NEW JERSEY

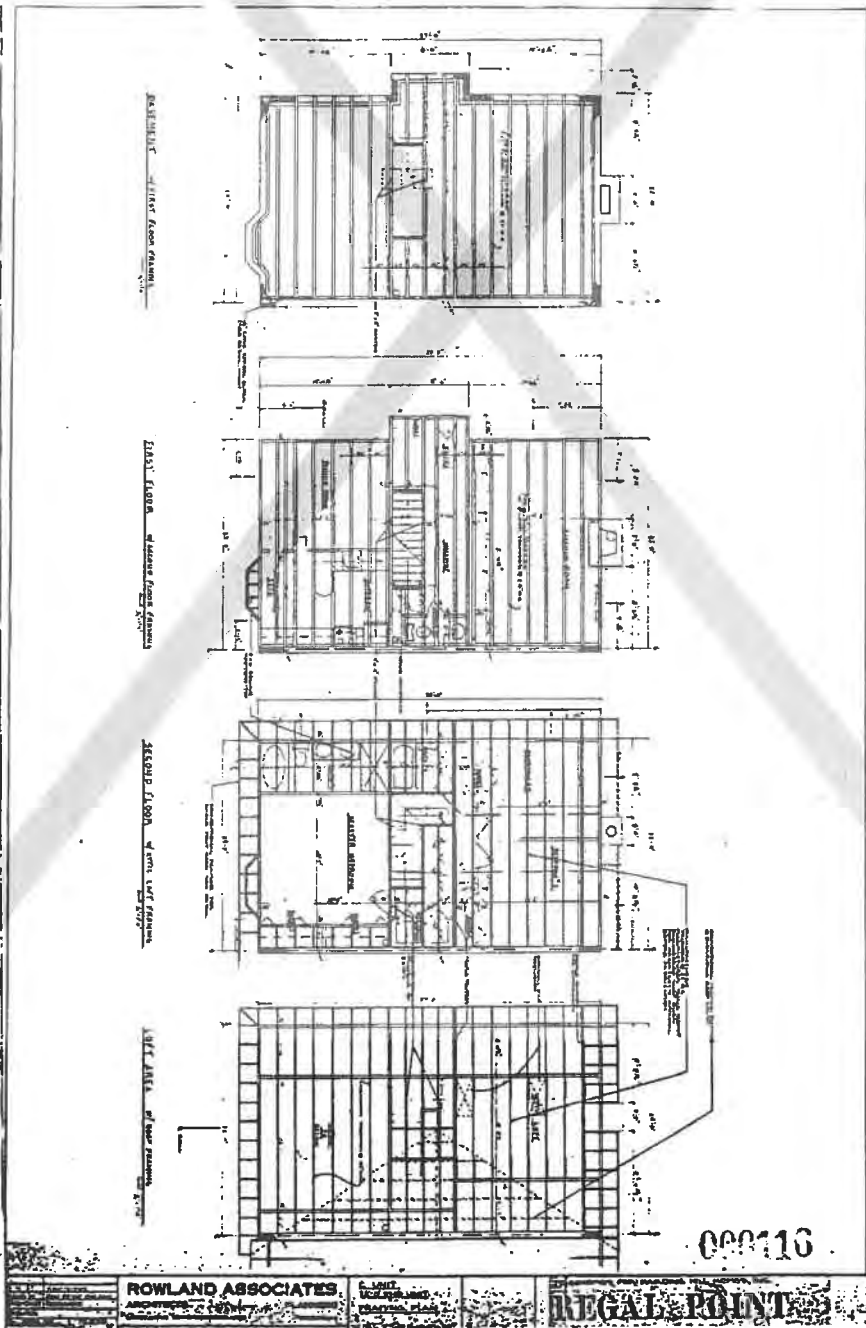
BOOK 3886 PAGE 508



000115

4 C ROWLAND ASSOCIATES ARCHITECTS PLANNING 1000 10th Street, N.E. Atlanta, Georgia 30309 Phone (404) 525-1111	E. UNIT 10' 0" x 10' 0" SECTION	PREPARED FOR: HARRIS HALL HOMES, INC. REGAL POINT 1000 10th Street, N.E. Atlanta, Georgia 30309 Phone (404) 525-1111
	DRAWN BY: [Blank] CHECKED BY: [Blank] DATE: [Blank]	

BOOK 3686 PAGE 509



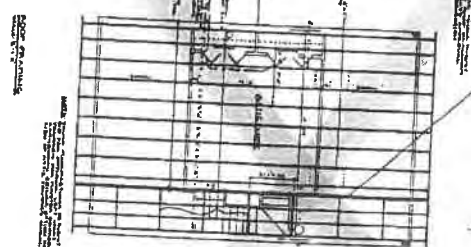
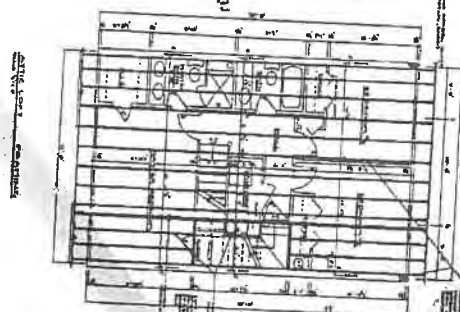
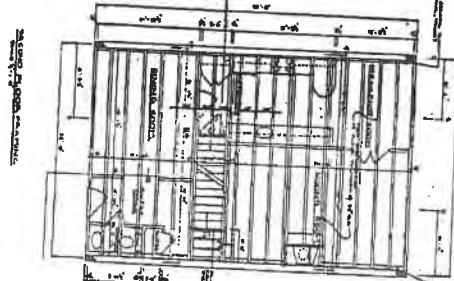
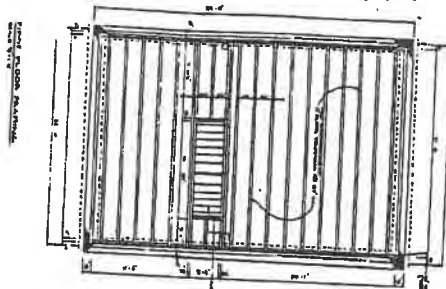
BOOK 3686 PAGE 511

000116

ROWLAND ASSOCIATES

5 UNIT
RENTAL
BUILDING

LEGAL POINT



BOOK 3086 PAGE 511

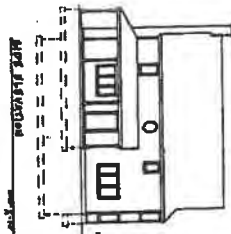
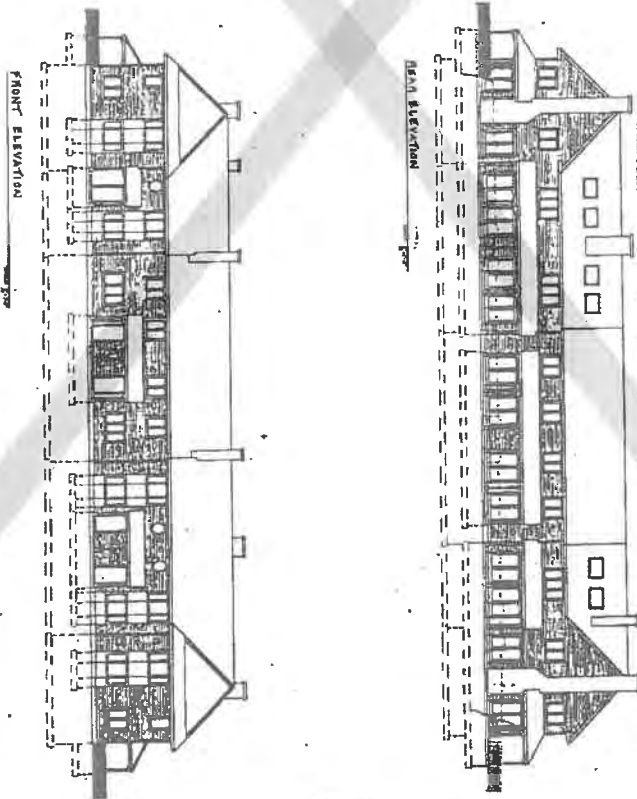
000117

5B ROWLAND ASSOCIATES ARCHITECTS 1000 WEST 10TH AVENUE DENVER, CO 80202	PREPARED BY ROWLAND ASSOCIATES DATE 1986	CHECKED BY DATE 1986	PROJECT NO. 000117	REGAL POINT 1000 WEST 10TH AVENUE DENVER, CO 80202
	SCALE: 1/4" = 1'-0"			



000113



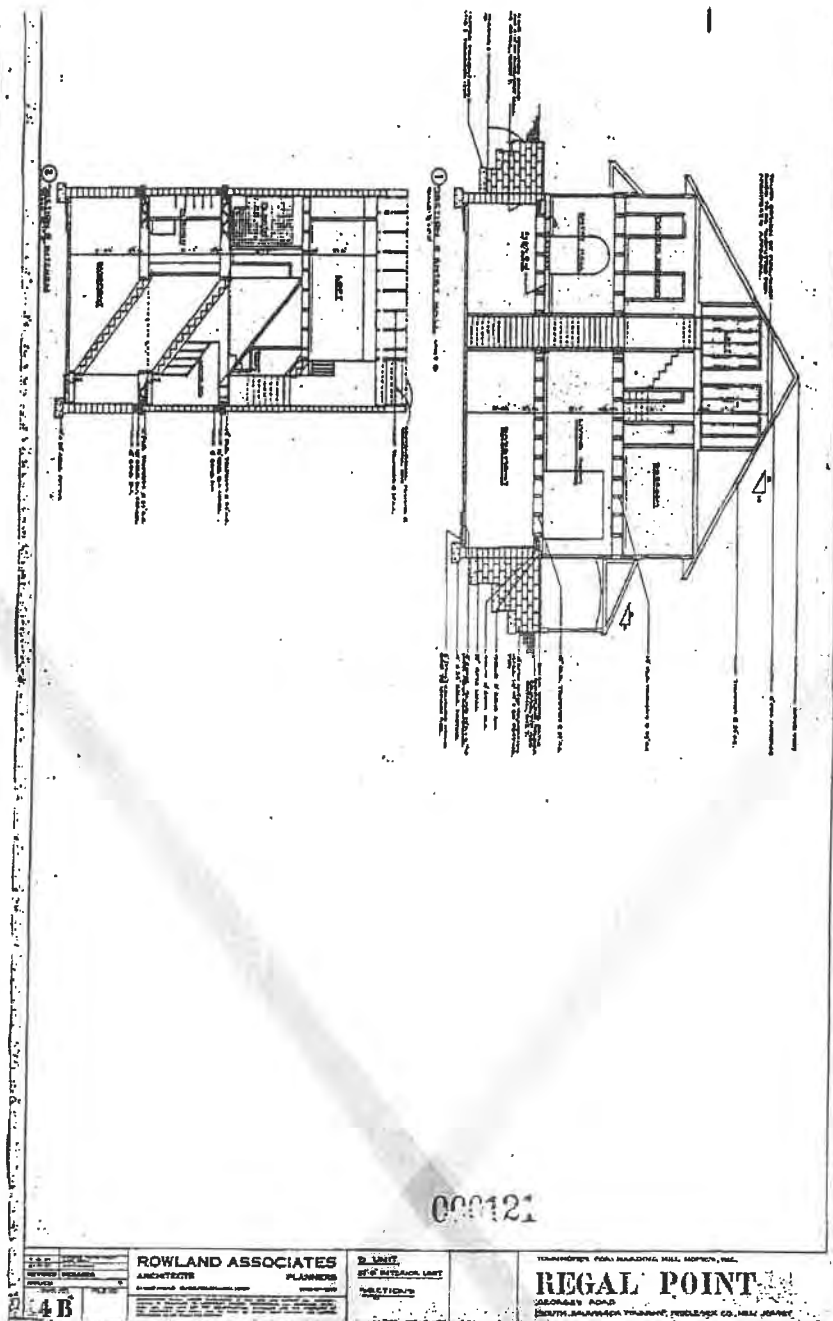


000120

BOOK 3686 PAGE 514

ROWLAND ASSOCIATES
ARCHITECTS PLANNERS
1000 10th Street, Suite 100
San Francisco, CA 94103

TRANSFERRER FOR: HAZARDING HILL, HOPKINS, INC.
REGAL POINT
GEORGETOWN, MAINE



000122

BOOK 3686 PAGE 516

EXHIBIT 1D - BY-LAWS OF REGAL POINT
CONDOMINIUM ASSOCIATION,
INC.

BY-LAWS
OF
REGAL POINT CONDOMINIUM ASSOCIATION, INC.

ARTICLE 1

NAME AND LOCATION

The name of the corporation is Regal Point Condominium Association, Inc. ("Association"). The principal office of the corporation shall be located at 186 Princeton-Hightstown Road, P.O. Box 236, Princeton Junction, New Jersey 08550, but meetings of Members, Directors and Committees may be held at such places as may be designated by the Board of Directors.

ARTICLE 2

SEAL

The corporate seal of the Association shall be in circular form and shall bear the name of the Association and such other language as is required by the laws of the State of New Jersey.

ARTICLE 3

DEFINITIONS

Section 3.1 "Appointed Director" shall mean and refer to a Director appointed by Developer.

Section 3.2 "Association" shall mean and refer to Regal Point Condominium Association, Inc., a New Jersey not-for-profit corporation, formed to administer, manage and operate the common affairs of the Owners of Units in the development and to maintain, repair and replace the Common Elements and Facilities of the Development as provided in this Master Deed and the Bylaws.

Section 3.3 "Board" shall mean and refer to the Board of Directors of the Association and any reference herein or in the Certificate of Incorporation, Bylaws or Rules and Regulations to any power, duty, right of approval or any other right of the Association shall be deemed to refer to the Board and not the Membership of the Association, unless the context expressly indicates to the contrary.

Section 3.4 "Common Elements and Facilities" shall mean and refer to the "common elements" (as defined by N.J.S.A. 46:8B-3(d)) of the Development.

Section 3.5 "Common Expenses" shall, subject to the provisions of Article 6 of the Master Deed, mean and refer to all those expenses anticipated by N.J.S.A. 46:8B-3(e), in addition to all expenses including reserves incurred or assessed by the Association, or its respective directors, officers, agents or employees, in the lawful performance of their respective duties or powers.

Section 3.6 "Developer" shall mean and refer to Regal Point, Inc., a New Jersey corporation, its successors and assigns and includes any successor Developer contemplated by Article 28 of the Master Deed.

Section 3.7 "Development" shall mean and refer to Regal Point Condominium and shall include (i) all the lands and premises described in Appendix "A" of the Master Deed; (ii) all improvements now or hereinafter constructed in, upon, over or through such lands and premises, whether or not shown on any Appendix hereto; and (iii) all rights, roads, bridges, waters, privileges and appurtenances thereto belonging or appertaining; and (iv) the entire entity created by the execution and recording of the Master Deeds

Section 3.8 "Director" shall mean and refer to a Director of the Association.

Section 3.9 "Elected Director" shall mean and refer to a Director elected by the Members.

Section 3.10 "First Mortgagee" shall mean and refer to an Institutional Lender who holds the mortgage on a Unit and who has notified the Association of its holdings.

Section 3.11 "Founding Documents" shall mean and refer to the Certificate of Incorporation of the Association, these Association Bylaws, and the Master Deed, all as initially drawn by the developer and filed and recorded as the case may be, and all as may be duly amended from time to time.

Section 3.12 "Governing Documents" shall mean and refer collectively and severally to the Founding Documents and the Rules and Regulations, as such may be amended from time to time.

Section 3.13 "Institutional Lender" shall mean and refer to any commercial or savings bank, mortgage banker, savings and loan association, trust company, insurance company, governmental agency, or other financial institution or pension fund, any other lender regularly engaged in financing the purchase, construction or improvement of real estate, or any assignee of loans made by such a lender, or any individual who loans money for home purchase or any combination of the foregoing entities.

Section 3.14 "Master Deed" shall mean and refer to the covenants, conditions, and restrictions and all other provisions contained in a Master Deed filed by Developer affecting the Development as same may from time to time be amended or supplemented.

Section 3.15 "Member" shall mean and refer to a person or entity who is a record owner of an undivided interest in a Unit subject to the Master Deed, including contract sellers, but excluding persons or entities who hold an interest merely as security for the performance of an obligation.

Section 3.16 "Notice" shall mean and refer to: (a) written notice delivered personally or mailed to the last known address of the intended recipient or (b) notice through a community publication which is delivered to all Units.

Section 3.17 "Occupant" shall mean and refer to the occupant of a Unit who shall be the Owner, a contract purchaser, or a lessee who holds a written lease having an initial term of at least six (6) months.

Section 3.18 "Owner" or "Unit Owner" shall mean and refer to those persons or entities in whom record title to any Unit is vested as shown in the records of the Middlesex County

Clerk. It shall include the Developer unless the context expressly indicates otherwise. But notwithstanding any applicable theory of mortgage, it shall not mean or refer to any mortgagee unless and until such mortgagee has acquired title to any such Unit pursuant to foreclosure proceedings or any proceeding in lieu of foreclosure. The term "Owner" or "Unit Owner" shall not refer to any lessee or tenant of an Owner or Unit Owner.

Section 3.19 "Rules and Regulations" shall mean and refer to the rules and regulations duly adopted by the Association with all future amendments and supplements thereto.

Section 3.20 "Unit" shall mean and refer to any portion of a structure situated upon the Development designed and intended for use and occupancy as a residence by a single family, including model Units used by the Developer, including Units which have been conveyed to a Unit Owner other than Developer.

ARTICLE 4

MEMBERS

Section 4.1 DEFINITION. Members shall include all Owners of Units and others as defined above. Membership shall be appurtenant to the Unit giving rise to such membership, and shall not be assigned, transferred, pledged, hypothecated, conveyed or alienated in any way except as provided in the Governing Documents.

Section 4.2 MEMBER'S RIGHTS AND DUTIES. Each Member shall have the rights, duties and obligations set forth in the Governing Documents, and shall be privileged to use and enjoy the Common Elements and Facilities, subject however to the right of the Association through the Board to:

4.2.1 Promulgate rules and regulations governing such use and enjoyment; and

4.2.2 Suspend the use and enjoyment of the Common Elements as provided in Section 4.3 hereof

Section 4.3 SUSPENSION OF RIGHTS. The Membership and voting rights of any Member may be suspended by the Board for any period during which any assessment against the Unit to which his Membership is appurtenant remains unpaid; but upon payment of

such assessments, and any interest accrued thereof, whether by check or cash, his rights and privileges shall be immediately and automatically restored. Further, if Rules and Regulations governing the use of the Common Elements and the conduct of persons thereon have been adopted and published, as authorized in the By-laws, the rights and privileges of any person in violation thereof may be suspended at the discretion of the Board for a period not to exceed thirty (30) days for any single violation, but if the violation is of a continuing nature, such rights and privileges may be suspended indefinitely until such time as the violation is abated. No such action shall be taken by the Board until the Unit Owner is afforded an opportunity for a hearing consistent with the principles of due process of law.

Section 4.4 VOTING RIGHTS. All Members shall be entitled to one vote as a Member of the Association.

Section 4.5 EXERCISE OF VOTES. The vote of any Member which is held by more than one person may be exercised by any one of them, unless any objection or protest by any holder of such membership is made prior to the completion of a vote, in which case the vote for such Member shall not be counted.

Section 4.6 ANNUAL MEETINGS. There shall be an annual meeting of Members. The first annual meeting of the Members shall be held within one year from the date of incorporation of the Association or not more than sixty (60) days after the Unit Owners other than the Developer own 13 or more Units. Each subsequent regular annual meeting of the Members shall be held in the same month of each year thereafter, at whatever day, hour and place the Board may designate.

Section 4.7 SPECIAL MEETINGS. Special Meetings of Members may be called at any time by the president or by the Board, or upon written request of one-half of Members. A special meeting if necessary shall be called by the President for the purpose of electing directors in accordance with Section 6.2.2.

Section 4.8 PROXIES. Each Member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease after one year.

Section 4.9 METHOD OF VOTING. Elections or questions to be submitted to Members may be decided at a meeting or by a ballot vote, by mail, or at polling places designated by

the Board. The Board shall determine the method of voting by resolution and give notice thereof as provided herein.

Section 4.10 QUORUM OF MEMBERS. The presence in person or by proxy of twenty-five percent (25%) of the Members (including the Developer or its representatives) shall constitute a quorum at a meeting of the Members. As used herein, the term "twenty-five percent (25%) of the Members" shall mean the persons entitled to cast 13 votes.

Section 4.11 ACTION TAKEN WITHOUT MEETING. Members shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all Members. Any action so approved shall have the same effect as though taken at a meeting of the Members.

ARTICLE 5

NOTICE

Section 5.1 NUMBER OF DAYS AND METHOD. Notice of meetings or ballot vote shall be provided to Members at least ten (10) days before such meeting by mailing Notices by regular or certified mail or by hand delivery to each Unit.

Section 5.2 CONTENT. Notice of meetings or ballot votes shall specify the place, day and hour. In the case of a special meeting, Notice shall state the purpose of the meeting.

Section 5.3 WAIVER. Notice of a meeting need not be given to any Member who signs a waiver of notice either in person or by proxy, before or after the meeting. At any meeting of the Board, Covenants Committee or Members, all attendees are deemed to have waived Notice.

ARTICLE 6

BOARD OF DIRECTORS

Section 6.1 NUMBER. The affairs of the Association shall be managed by a Board of five Directors. Until the first annual meeting of Members, the Board shall consist of the three Directors appointed by Developer. Thereafter, as long as Developer has rights as Developer, the Board of directors shall consist of Appointed Directors and Elected Directors.

Thereafter, all Directors shall be elected.

Section 6.2 COMPOSITION AND TERM.

6.2.1 Appointed Directors. Appointed Directors shall be appointed by Developer at the annual meeting or special meeting of the Members and shall serve at the pleasure of Developer. They need not be members of the Association. Three Directors shall be appointed by Developer to serve as Directors until the first annual meeting of Members. At the first annual meeting of Members and at successive annual meetings of Members until there are 13 Unit Owners, the Developer shall appoint three Directors and there shall be no Elected Directors. Within sixty days after there are 13 Unit Owners (25% of the Units), Developer shall appoint three Directors, and there shall be two Elected Directors elected at a special meeting by Unit Owners other than the Developer. Once there are 27 Unit Owners (50% of the Units), Developer shall still appoint three Directors and there shall continue to be two Elected Directors. Within sixty days after there are 40 Unit Owners (75% of the Units), Developer shall appoint one Director to serve until all Units are conveyed to Unit Owners other than Developer and there shall be four elected Directors elected at a special meeting by Unit Owners other than the Developer. Notwithstanding the provisions of this Section 6.2.1, control shall be transferred to the Elected Directors on the fifth anniversary of the filing of the Master Deed (if control has not already been transferred), and a special meeting shall be held to elect the necessary Elected Directors. Upon each such occasion when any of the above shall become applicable, a special meeting of the members shall be called within 60 days for the purpose of electing directors as may be necessary.

6.2.2 Elected Directors. Elected Directors shall be elected by Members other than the Developer at annual meetings or special meetings of the members and shall serve for two year terms, except as provided herein. Within sixty days after there are at least 13 Unit Owners (25% of the Units), two Directors shall be elected by Members other than the Developer, the Director receiving the highest number of votes shall be elected for a two year term. The other Director shall serve a one year term. Once there are 27 Unit Owners (50% of the Units), the Members other than the Developer shall continue to elect two Directors. Within sixty days after there are at least 40 Unit Owners (75% of the Units), Members other than the Developer shall elect four Directors with such terms to be established by the

Board so as to create staggered one and two year terms. Members other than the Developer shall elect five Directors who shall serve subsequent two year terms so that no more than three Directors are elected at each annual meeting.

6.2.3 Chart. A chart setting forth the composition of the Board of Directors is set out on the following page:

Board of Directors

	<u>Appointed by Developer</u>	<u>Elected by Owners</u>	<u>Total</u>
Initial	3	0	3
After 13 Owners (25% of the Units)	3	2	5
After 27 Owners (50% of the Units)	3	2	5
After 40 Owners (75% of the Units)	1	4	5
After conveyance of all Units	0	5	5

Section 6.2.4 Notwithstanding anything to the contrary herein, the Developer shall be entitled to elect at least one member of the Board so long as the Developer holds one or more Units for sale in the ordinary course of business.

Section 6.3 METHOD OF NOMINATION. Candidates for election as Elected Directors shall file a petition of candidacy, signed by not less than five Members, with the Elections Committee at three weeks before the annual or special meeting. The Elections Committee shall provide all members with a ballot containing the names of all bona fide candidates with the notice of the annual or special meeting.

Section 6.4 METHOD OF ELECTION. Election shall be by secret written ballot at the annual or special meeting or delivered to or received by mail by the Chairman of the Elections Committee or his designees prior to the start of the annual or special meeting. Members may cast, in respect to each vacancy,

as many votes as they are entitled to exercise under the provisions of the Certificate of Incorporation. Cumulative voting is not permitted. Those persons receiving the largest number of votes shall be elected. Where different lengths of terms are involved in an election, those candidates receiving the greatest number of votes shall serve the two year terms.

Section 6.5 RESIGNATION AND REMOVAL. The unexcused absence of the Elected Director from three consecutive regular meetings of the Board shall be deemed a resignation. Any Elected Director may be removed from the Board, with or without cause, by a majority vote of Members of the Association other than the Developer.

Section 6.6 VACANCIES. In the event of death, resignation, or removal of an Elected Director, his successor shall be selected by the remaining Elected Directors and shall serve for the unexpired term of his predecessor. Any Board of Directors' seat vacated by a Unit Owner other than the Developer must be filled by a Unit Owner other than the Developer.

Section 6.7 POWERS. The Board of Directors shall have all powers for the conduct of the affairs of the Association which are permitted by law, the Founding Documents, which powers are not specifically reserved to Members, Developer, or the Covenants Committee by these documents.

Section 6.8 DUTIES. Without limiting the generality of its powers, it shall be the duty of the Board to:

6.8.1 exercise its powers in accordance with the Governing Documents;

6.8.2 cause to be kept a complete record of all its corporate affairs including the Rules and Regulations, make such records available for inspection by any Member, his agent, or Institutional Lender who has an interest in the Development and present an annual statement thereof to the Members and First Mortgagees;

6.8.3 adopt and follow procedures for adoption and publication of Board resolutions to be included in the Rules and Regulations, including the provision for hearing and notice of members for resolutions on rules, the annual budget, and other matters affecting the rights of Members;

000131

BOOK 3686 PAGE 525

6.8.4 adopt and publish Rules and Regulations including fees, if any, governing the use of the Common Elements and Facilities, and the personal conduct of the members and their guests thereon, and to include these in the Rules and Regulations;

6.8.5 establish architectural standards for the Development;

6.8.6 select all officers, agents, management firms, contractors, suppliers and employees of the Association and see that their duties are properly performed;

6.8.7 designate depositories for Association funds, designate those officers, agents and/or employees who shall have authority to withdraw from such accounts on behalf of the Association, and cause such persons to be bonded, as it may deem appropriate;

6.8.8 send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of the due date of the annual assessment or first installment thereof;

6.8.9 appoint such committees as prescribed in Article 8 and Article 9 of these Bylaws;

6.8.10 exercise their powers and duties in good faith, with a view to the interests of the Association and to this end adopt appropriate guidelines for action on matters where a potential conflict of interest may exist;

6.8.11 procure and maintain adequate liability and hazard insurance on property owned by the Association and such other insurance, all as required by the Master Deed; and

6.8.12 Subject to N.J.S.A. 46:8B-12.2, employ a manager, an independent contractor, or such other employees as they deem necessary, and to contract with any person, firm or corporation upon such terms as it deems proper for the maintenance of the Common Elements and Facilities. Any such agreement shall not, however, exceed two (2) years and shall provide for termination by either the Association or such manager without cause and without payment of a termination fee on 90 days or less written notice.

Section 6.9 RENUMERATION. Directors shall serve without compensation, provided, however, that the Members may establish at the annual or special meeting what compensation, if any, shall be paid to Directors.

Section 6.10 FIDELITY BOND. The Board of Directors shall obtain adequate fidelity bonds for all officers and employees of the Association handling or responsible for Association funds. While the Developer maintains a majority of the Board of Directors, it shall post a fidelity bond or other guarantee acceptable to the New Jersey Department of Community Affairs, in an amount equal to the annual budget. For the second and succeeding years, the bond or other guarantee shall include accumulated reserves.

Section 6.11 FIDUCIARY DUTIES. Nothing contained herein to the contrary shall serve to exculpate members of the Board of Directors appointed by the Developer from their fiduciary responsibilities.

ARTICLE 7

OFFICERS

Section 7.1 ENUMERATION OF OFFICERS. The officers of this Association shall be a president and vice president, who shall at all times be members of the Board of Directors; a secretary, and a treasurer, and such other officers as the Board of Directors may from time to time by resolution create.

Section 7.2 ELECTION OF OFFICERS. The election of officers shall take place at the first meeting of the Board of Directors which meeting shall follow each annual meeting of the Members.

Section 7.3 TERM. The officers of this Association shall be elected annually by the Board of Directors and each shall hold office for one (1) year unless the officer shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 7.4 RESIGNATION AND REMOVAL. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, president or secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time

000133

BGGK3686 PAGE 527

specified therein; unless otherwise specified therein, the acceptance of such a resignation shall not be necessary to make it effective.

Section 7.5 VACANCIES. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaced.

Section 7.6 MULTIPLE OFFICES. The offices of president and treasurer may not be held by the same person.

Section 7.7 DUTIES. The duties of the officers are as follows:

7.7.1 PRESIDENT. The president shall preside at all meetings of the Board and of the Association; see that orders and resolutions of the Board are carried out; sign all mortgages, leases, deeds, and other written instruments and sign all promissory notes and contracts as the Board may approve from time to time; and perform such other duties as the Board may authorize or direct.

7.7.2 VICE-PRESIDENT. The vice president shall act in the place and stead of the president in the event of his absence, inability, or refusal to act, and exercise and discharge such duties as may be required of him by the Board.

7.7.3 SECRETARY. The secretary shall cause the minutes to be kept of all meetings and proceedings of the Board and Members; cause the Rules and Regulations to be maintained; serve as custodian of Association files and records; keep the corporate seal of the Association and affix it on all papers requiring said seal; cause Notice to be served to Members and Institutional Lenders as required in the Governing Documents; cause a roster to be maintained of the names of all members of the Association together with their addresses, as registered by such members; cause a roster to be maintained of all First Mortgagees, together with the properties in which each has an interest; and perform such other duties as required by the Board.

7.7.4 TREASURER. The treasurer shall cause all monies of the Association to be deposited in appropriate accounts as authorized by the Board and disbursed therefrom within the limits of the annual budget or as directed by resolution of the Board; sign promissory notes and contracts; be responsible for

assuring that proper books of account are kept; be the chief officer responsible for the annual preparation of the budget, the income statement, and the balance sheet statement to be presented to the Board and to the membership at its regular annual meeting; annually submit the audited financial statements and Association budget to all Owners and First Mortgagees.

Section 7.8 RENUMERATION. Officers shall initially serve without compensation, provided, however, that after the Developer relinquishes control of the Association the Board may establish at subsequent annual meeting what compensation, if any, shall be paid to the officers.

ARTICLE 8

COMMITTEES

Section 8.1 ELECTIONS COMMITTEE. The Board of Directors shall appoint an Elections Committee no later than two months prior to the annual meeting date. The Committee shall consist of a chairman, and at least two Members, none of whom shall be candidates for office and none of whom need be Directors. It shall be the duty of the Committee to provide supervision of the nomination and election of Directors in accordance with procedures adopted by the Board and placed in the Rules and Regulations. The Elections Committee shall be dissolved when election activities have been concluded.

Section 8.2 OTHER COMMITTEES. The Board may, appoint such other committees as it deems necessary or desirable for the operations of the Association.

ARTICLE 9

COVENANTS COMMITTEE

Section 9.1 COMPOSITION. The Covenants Committee shall be comprised of three members with one alternate, appointed by the Board. Members shall serve staggered three-year terms, as determined by the Board. Members of the Covenants Committee need not necessarily be members of the Association.

Section 9.2 VACANCIES. Appointments to fill vacancies in unexpired terms shall be made in the same manner as the original appointment.

000135

BOOK 3686 PAGE 529

Section 9.3 OFFICERS. At the first meeting of the Covenants Committee following each annual meeting of Members, the Covenants Committee shall select from among themselves a chairman, a vice chairman, and a secretary who shall perform the usual duties of their respective offices.

Section 9.4 DUTIES. The Covenants Committee shall function in two broad areas: to regulate the external design, appearance, and location of the Development and improvements thereon in such a manner so as to preserve and enhance values and to maintain a harmonious relationship among structures and the natural vegetation and topography and to monitor and enforce compliance with the provisions of the Governing Documents, subject to appeal to the Board. In furtherance thereof, the Covenants Committee shall:

9.4.1 Review and approve, modify or disapprove, within forty-five (45) days, all written applications of Owners or the Association for improvements or additions to Units or Common Elements and Facilities;

9.4.2 Periodically inspect the Development for compliance with architectural standards and approved plans for alteration;

9.4.3 Propose architectural standards for adoption by the Board;

9.4.4 Decide cases of alleged infraction of the Governing documents;

9.4.5 Propose procedures for the exercise of its duties for adoption by the Board; and

9.4.6 Maintain complete and accurate records of its proceedings; such records to be available for inspection by Members during business hours, except that records relating to hearings on a Member's alleged infraction of the Governing Documents may be inspected only by the principals in such proceedings.

SECTION 9.5 APPEALS. Any action, ruling or decision of the Covenants Committee may be appealed to the board by any party deemed by the Board to have standing as an aggrieved party and vote of a majority of the full authorized membership of the Board may modify or reverse any such action, ruling or decision.

000136

BOOK 3686 PAGE 530

SECTION 9.6 ADDITIONAL AUTHORITY. The Covenants Committee shall have such additional duties, power and authority as the Board may from time to time provide by resolution including the right to impose fines pursuant to Section 12.2 of ARTICLE 12 hereof. The Board may relieve the Covenants Committee of any of its duties, powers and authority either generally or on a case by case basis by vote of a majority of its full authorized membership. The Covenants Committee shall carry out its duties and exercise its powers and authority in the manner provided for in the Rules and Regulations or by resolution of the Board.

ARTICLE 10

MEETINGS OF THE BOARD OF DIRECTORS AND THE COVENANTS COMMITTEE

Section 10.1 REGULAR MEETINGS. Regular meetings of the Board and Covenants Committee shall be held without notice at such place and hour as may be fixed from time to time by the members of the respective body.

Section 10.2 SPECIAL MEETINGS. Special meetings of either the Board or the Covenants Committee shall be held when called by the president or the Association, by the chairman of the Covenants Committee or a majority of the members of either the Board or the Rules Committee, after not less than three (3) days notice to each member of the appropriate body.

Section 10.3 QUORUM OF THE BOARD. A majority of the members of the Board shall constitute a quorum for the transaction of its business, except in no event shall a quorum be less than three members.

Section 10.4 QUORUM OF THE COVENANTS COMMITTEE.

10.4.1 Two members of the Covenants Committee shall constitute a quorum for deciding on architectural applications within its purview, except that those two members may elect to defer a decision until three members can be present.

10.4.2 All three members of the Covenants Committee designated by the Board must be present to decide on a case of alleged infraction of the Governing Documents.

Section 10.5 ACTION TAKEN WITHOUT A MEETING. The Board and Covenants Committee shall have the right to take any

000137

BOOK 3686 PAGE 531

action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all members of the Board. Any action so approved shall have the same effect as though taken at a meeting of the Board.

ARTICLE 11

INDEMNIFICATION

Each Officer and Director of the Association, and all members of the Board Committees, in consideration of his services as such, shall be indemnified by the Association to the extent permitted by law (and to the extent reasonable insurance coverage is available) against expenses and liabilities reasonably incurred by him in connection with the defense of any action, suit, or proceeding, civil or criminal, to which he may be a party by reason of his past or present role in the Association. The foregoing right of indemnification shall not be exclusive of any other rights to which the person may be entitled by law, or agreement, or vote of Members or otherwise.

ARTICLE 12

Section 12. ENFORCEMENT. The Board shall have the power, at its sole option, to enforce the terms of this instrument or any Rule or Regulation promulgated pursuant thereto, by any or all of the following: self-help; sending notice to the offending party to cause certain things to be done or undone; restoring the Association to its original position and charging the breaching party with the entire cost or any part thereof; complaint to the duly constituted authorities; or by taking any other action, summary or otherwise, before any court, as may be provided by law.

Section 12.2 FINES. The Board shall also have the power to levy fines against any Unit Owner(s) for violations(s) of any Rule or Regulation of the Association or for any covenants or restrictions contained in the Master Deed or By-laws. Each day a violation continues after notice it shall be considered a separate violation. Collection of the fines may be enforced against any Unit Owner(s) involved as if the fine were Common Expense owed by the particular Unit Owner(s). Notwithstanding the foregoing, before any fine is imposed by the Board, the Unit Owner involved shall be given at least ten (10) days prior written notice and afforded an opportunity to be heard, with or without counsel, with respect to the violation(s) asserted.

Section 12.3 WAIVER. No restriction, condition,

obligation or covenant contained in these By-laws shall be deemed to have been abrogated or waived by reason of the failure to enforce the same irrespective of the number of violations or breaches thereof which may occur.

ARTICLE 13

FISCAL YEAR

The fiscal year of the Association shall begin on the first day of January and end on the last day of December of every year, or such other days as may be established by resolution of the Board, except that the first fiscal year shall begin on the date of incorporation.

ARTICLE 14

AMENDMENT

Section 14.1 These Bylaws may be amended:

14.1.1 By a vote of two-thirds (2/3) of Board at any meeting duly called for that purpose, providing Notice of the meeting and the proposed amendments has been given to Members at least fifteen (15) days prior to the meeting, or

14.1.2 At the annual meeting of Members, by a two-thirds (2/3) vote of a Quorum of Members, providing the proposed amendments have been included in the notice of the meeting. Amendments shall become effective when recorded by the Office of the Clerk of Middlesex County.

Section 14.2 The Developer shall not be permitted to cast any votes allocated to unsold Units in order to amend the Bylaws for the purpose of changing the permitted use of a Unit for the purpose of reducing the Common Elements or Facilities.

Section 14.3 While the developer shall still have any interest in the Units, the Board of Directors shall take no action and adopt no amendments to these By-laws detrimental to such interest.

ARTICLE 15

MISCELLANEOUS

Section 15.1 ANNUAL AUDIT. The Association shall have an annual audit of Association funds prepared by an independent certified public accountant, a copy of which shall be delivered to each Unit Owner within 90 days of the expiration of the fiscal year of the Association. The audit shall cover the operating budget and reserve accounts.

Section 15.2 DEVELOPER VOTES. The Developer shall not be permitted to cast any votes held by him for unsold lots, parcels, units or interests for the purpose of amending the Master Deed, By-laws or any other document for the purpose of changing the permitted use of a lot, parcel, unit or interest, or for the purpose of reducing the Common Elements or Facilities.

Section 15.3 HOMEOWNER NEW HOME WARRANTY RIGHTS. While the Developer maintains control of the Board of Directors, it shall take no action which adversely affects a Unit Owner's rights under N.J.A.C. 5:25-5.5. Claims relative to defects in Common Elements and Facilities shall be processed in accordance with N.J.A.C. 5:25-5.5.

Section 15.4 ADDITIONAL POWERS AND DUTIES

15.4.1 Subject to this Master Deed and Certificate of Incorporation, the Association may do all that it is legally entitled to do under the laws applicable to its form of organization.

15.4.2 The Association shall discharge its powers in a manner that protects and furthers the health, safety and general welfare of the residents of the community.

15.4.3 The Association, through the Board or Covenants Committee, shall provide a fair and efficient procedure for resolution of disputes between individual owners and the Association, and between different Owners, that shall be readily available as an alternative to litigation.

000140

BOOK 3686 PAGE 534

000141

EXHIBIT 1E - PERCENTAGE OF INTEREST
SCHEDULE

BOOK 3686 PAGE 535

SCHEDULE OF PERCENTAGE
INTEREST IN COMMON ELEMENTS

53 UNITS

EXHIBIT "E"
TO
REGAL POINT, A CONDOMINIUM
MASTER DEED

<u>Address</u>	<u>Bldg. #</u>	<u>Percentage Interest In Common Elements</u>
10	1	1.8867
11	1	1.8867
12	1	1.8867
13	1	1.8867
14	1	1.8867
15	1	1.8867
16	1	1.8867
20	2	1.8867
21	2	1.8867
22	2	1.8867
23	2	1.8867
24	2	1.8867
25	2	1.8867
26	2	1.8867
30	3	1.8867
31	3	1.8867
32	3	1.8867
33	3	1.8867
34	3	1.8867
35	3	1.8867
40	4	1.8867
41	4	1.8867
42	4	1.8867
43	4	1.8867
44	4	1.8867
45	4	1.8867
50	5	1.8867
51	5	1.8867
52	5	1.8867
53	5	1.8867
54	5	1.8867
55	5	1.8867

SCHEDULE OF PERCENTAGE
INTEREST IN COMMON ELEMENTS

53 UNITS

EXHIBIT "E"
TO
REGAL POINT, A CONDOMINIUM
MASTER DEED

<u>Address</u>	<u>Bldg. #</u>	<u>Percentage Interest In Common Elements</u>
60	6	1.8867
61	6	1.8867
62	6	1.8867
63	6	1.8867
64	6	1.8867
65	6	1.8867
66	6	1.8867
70	7	1.8867
71	7	1.8867
72	7	1.8867
73	7	1.8867
74	7	1.8867
75	7	1.8867
76	7	1.8867
80	8	1.8867
81	8	1.8867
82	8	1.8867
83	8	1.8867
84	8	1.8867
85	8	1.8867
86	8	1.8867

000143

BOOK 3886² PAGE 537

MASTER DEED

FOR

REGAL POINT, A CONDOMINIUM

1960
RETURN TO ►

Record and Return:

Dennis R. Casale, Esq.
Jamieson, Moore, Peskin
& Spicer
300 Alexander Park
Princeton, NJ 08543-5276
(609) 452-0808

BOOK 3686 PAGE 449
RECORDED IN DOUGHERTY COUNTY
80 MAR 14 PM 12:17
Placed in Cassette
DOUGHERTY COUNTY CLERK

BOOK 3686 PAGE 538

003382



6. PRIOR ROUND: MONMOUTH WALK

MONMOUTH WALK CONDOMINIUM

=====

MASTER DEED

=====

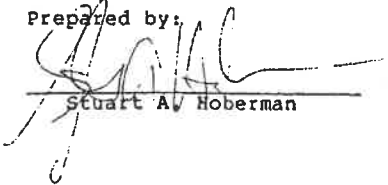
MONMOUTH WALK DEVELOPMENT CORP., INC., a corporation of the State of New Jersey, having its principal office at 90 Woodbridge Center Drive, Woodbridge, New Jersey 07095, herein- after referred to as the GRANTOR, does hereby make, declare and publish its intention and desire to submit and does hereby submit the lands and premises owned by it in the Township of South Brunswick, County of Middlesex and State of New Jersey, herein- after being more particularly described, to the form of ownership known and designated as a CONDOMINIUM as provided by the CONDOMINIUM ACT OF THE STATE OF NEW JERSEY, N.J.S.A. 46:8B-1 et seq., for the specific purpose of creating and establishing MONMOUTH WALK CONDOMINIUM and for the further purpose of defining the plan of Unit Ownership. Said premises shall be held, transferred, sold, conveyed and occupied subject to such restric- tive and protective covenants hereinafter set forth for the benefit of said CONDOMINIUM.

(A) The lands and premises owned by the GRANTOR, which are hereby made expressly subject to the provisions of this Deed, are described as follows:

ALL those certain tracts or parcels of land and premises, hereinafter particularly described, situate, lying and being in the Township of South Brunswick (hereinafter referred to as the "Municipality"), County of Middlesex and State of New Jersey as set forth in Schedule A hereto and made a part hereof.

(B) The GRANTOR is constructing on the parcel of land and premises described as aforesaid, a project known and desig- nated as MONMOUTH WALK CONDOMINIUM (hereinafter referred to as

Prepared by:


Stuart A. Hoberman

the "CONDOMINIUM"). The said project consists of 290 town house style units. The word "Unit," when used throughout this Deed, shall be deemed to refer to each of the 290 units as herein described and as defined in the Condominium Act of the State of New Jersey.

(C) The GRANTOR, in order to implement the Condominium plan of ownership for the above-described property, including improvements and prospective improvements, covenants and agrees that it hereby subdivides the above-described realty and all improvements erected and to be erected thereon, into the following Freehold Estates:

(1) 290 separate parcels, being the 290 Units, hereinafter more particularly described and identified on Schedule B annexed hereto and made a part hereof. Schedule C attached hereto describes the dimensions of the several Units.

Each of the 290 Units consists of: (a) the volume or cubicals of space enclosed by the unfinished inner surfaces of the exterior and interior dividing walls, ceilings and floors thereof, including vents, doors, the glass portions of the windows, and other structural elements that are regarded as enclosures of space; (b) all interior dividing walls and partitions (including the space occupied by such walls or partitions); (c) the direct inner surfaces of such interior walls, floors and ceilings consisting of wallpaper, paint, plaster, carpeting, masonry, tiles and all other finishing materials affixed or installed as a part of the physical structure of the unit and all immediately visible fixtures, mechanical systems and equipment installed for the sole and exclusive use of the Unit, commencing at the point of disconnection from the structural body of the Unit and from the utility lines, pipes or systems servicing the Units. No pipes, wires, conduits or other public utility lines or installation constituting a part of the overall systems designed for the service of any particular multi-unit building, nor any of the structural members or portions of any kind,

including fixtures and appliances within the Unit, which is not removable without jeopardizing the soundness, safety or usefulness of the remainder of the building, shall be deemed to be a part of any Unit.

(2) A separate undivided percentage interest in the remaining portions of the lands and premises hereinabove described with all improvements constructed and to be constructed thereon, including all appurtenances thereto, which said remaining portions shall be hereafter known and referred to as "Common Elements." More specifically, the Common Elements include, but shall not be limited to, the following:

(a) The parcel of land described above;

(b) The multi-unit buildings described above including the space within said building not otherwise herein defined as being embraced within the 290 Units and including improvements, foundations, roofs, floors, ceilings, exterior walls, structural and bearing parts, main walls, dividing walls, slabs, supports, entrances, exits and other means of access, pipes, building drains and building sewers, wires, conduits, air ducts and public utility lines, including the space actually occupied by the above, excluding any specifically reserved or limited to a particular unit or group of units;

(c) All of the non-public roads, parking lots, parking areas, walkways, paths, trees, yards, driveways, shrubs, gardens, landscaping, etc., if any, located on the aforesaid parcel of land, excluding any specifically reserved or limited to a particular unit or group of units;

(d) The swimming pool and deck area, cabana, double tennis court, basketball court and three play areas;

(e) Portions of the land or any improvement or appurtenance reserved exclusively for the management, operation or maintenance of the Common Elements or of the Condominium property;

(f) Installations of all central services and utilities, except those being maintained by the Municipality;

(g) All apparatus and installations existing or intended for Common Elements;

(h) Any improvement constructed or to be constructed on the aforesaid parcel of land, rationally of common use or necessary or convenient to their existence, management or operation, and, in general, all other devices existing for common use.

Initially, the GRANTOR, and thereafter the ASSOCIATION, shall be responsible for maintaining the aforesaid areas referred to as Common Elements, including, but not limited to, maintenance of roads, storm drainage and sidewalk areas within the CONDOMINIUM; solid waste removal and snow removal from the parking lots and roadways within the CONDOMINIUM; seeding, landscaping, painting of exterior walls and exterior trim and lawn maintenance and payment of charges for utilities servicing the Common Elements.

The Common Elements shall not include any of the 290 Units as hereinabove described and as shown on Schedule B and Schedule C attached hereto, it being the intention of the GRANTOR that the interest in the Common Elements appurtenant to each Unit as same shall be hereinafter defined shall not include any interest whatsoever in any of the other Units or the space within them.

The right of any owner to the use of the Common Elements shall be a right in common with all other Unit owners (except as to Limited Common Elements) to use such Common

Elements in accordance with the reasonable purposes for which they are intended without encroaching upon the lawful rights of other Unit owners.

(3) Portions of the Common Elements are hereby set aside and reserved for the use of one or more specified Units to the exclusion of the other Units and such portions shall be known and referred to as "Limited Common Elements." The Limited Common Elements shall include, but shall not be limited to, entryways, common walls, balconies, patios, decks or deck front entrance areas or porches, if any, designated as appurtenant to a specified Unit. Each Unit owner shall be responsible for maintaining, repairing and replacing, at their individual cost and expense, all areas designated as Limited Common Elements. In particular, each Unit owner shall be responsible for any improvements or maintenance in and to patios and decks, none of which shall be the responsibility for maintenance by the Association as hereinafter provided. All Limited Common Elements, however, shall comply with all governmental rules and regulations as well as all rules and regulations of the Association as provided herein or as provided in the Bylaws of the Association.

(D) For the purposes of this Deed, the ownership of each Unit shall conclusively be deemed to include the respective undivided percentage interest, as specified and established herein, together with its appurtenant undivided percentage interest in the Common and Limited Common Elements as defined and assigned thereto. It is the intention of the GRANTOR herein to provide that the Common Elements and Limited Common Elements in the CONDOMINIUM shall be owned by the owner or owners of each Unit as tenants-in-common, the undivided percentage interest of each therein being as hereinafter set forth.

For the purpose of further clarifying the stated intent of the GRANTOR, the aforesaid parcel will be owned under the Condominium concept, when the title to the aforesaid lands

and all of the improvements constructed and to be constructed thereon are held or acquired by two or more persons in any manner whereby each person is vested of: (1) the fee simple ownership of one or more Units; and (2) an undivided percentage interest as tenants-in-common in the correlative Common Elements and Limited Common Elements, all pursuant to the provisions of this plan of ownership, the CONDOMINIUM ACT OF THE STATE OF NEW JERSEY and the restrictions, covenants, limitations and conditions herein set forth.

(E) The 290 individual Units hereby established and which will be individually conveyed are designated and set forth on Schedule D annexed hereto, each Unit having a percentage of interest as shown on said schedule.

(1) The above percentage of interest in the Common Elements shall also be the percentage appertaining to the several Units in the expenses of, and rights in, the said Common Elements. However, each Unit shall be entitled to one vote in the Association. The proportionate representation appertaining to each Unit for voting purposes in the Association of owners shall be one, as more particularly set forth in the Bylaws of MONMOUTH WALK CONDOMINIUM ASSOCIATION, INC. (hereinafter referred to as the "ASSOCIATION"), attached hereto as Schedule E and made a part hereof. The GRANTOR reserves the right, for so long as it shall remain the owner of any of the aforesaid Units, to change the price or value of said Units. However, no change in the price or value of any of the aforesaid Units shall change or otherwise affect the percentage of interest of any of said Units in the Common Elements and/or Limited Common Elements.

(F) The above respective undivided percentage interests in the Common Elements and Limited Common Elements are to be conveyed with the respective Units and shall have a permanent character, and the Grantor, its successors and assigns and Unit owners, their heirs, executors, administrators and assigns, covenant and agree that the undivided percentage

interests in the Common Elements and Limited Common Elements and the fee title to the Units conveyed therewith shall not be separately conveyed, transferred, alienated or encumbered with its respective Unit, notwithstanding the description in the instrument of conveyance, transfer, alienation, or encumbrances may refer only to the fee title to the Unit. The GRANTOR, its successors and assigns and the Unit owners further covenant and agree that any conveyance, transfer or alienation of any Unit shall be exclusively deemed to include all of the interest of the owner in the ASSOCIATION and encumbrance on any Unit shall also be exclusively deemed to include all of the interest of said owner in the ASSOCIATION.

(G) THE CONDOMINIUM shall be administered, supervised and managed by the ASSOCIATION, a non-profit corporation of the State of New Jersey, presently having its principal office at 90 Woodbridge Center Drive, Woodbridge, New Jersey 07095, which shall act by and on behalf of the owners of the Units in the CONDOMINIUM in accordance with this Deed, the Bylaws of the ASSOCIATION, and in accordance with the CONDOMINIUM ACT OF THE STATE OF NEW JERSEY, its supplements and amendments. The said Bylaws form an integral part of this plan of ownership and this Deed shall be construed in connection with the provisions of said Bylaws pursuant to the CONDOMINIUM ACT OF THE STATE OF NEW JERSEY. The ASSOCIATION is hereby designated as the form of administration of the CONDOMINIUM and the said ASSOCIATION is hereby vested with the rights, powers, privileges and duties necessary to or incidental to the proper administration and management of the CONDOMINIUM including but not limited to the conduct of all activities of common interest to the Unit owners, the same being more particularly set forth in the Bylaws of the ASSOCIATION. The said ASSOCIATION shall also be empowered, and is hereby empowered, to exercise any of the rights, powers, privileges or duties which may, from time to time, be established by law or which may be delegated by the owner of Units in the

CONDOMINIUM. It shall be an affirmative and perpetual obligation of the Association and its Board of Trustees to fix Common Expense and Reserve assessments in an amount at least sufficient to maintain the exterior of the aforesaid Buildings and to maintain and operate the other Common Elements, and to provide a reserve for replacement of Common Elements. The amount of monies for Common Expenses and Reserves of the Association deemed necessary by the Trustees and the manner of expenditure thereof shall be a matter for the sole discretion of the Board.

(H) This Master Deed, and the exhibits attached hereto, may be amended, modified or supplemented from time to time by the affirmative vote of two-thirds of the Unit owners of the Condominium, or by the GRANTOR when required by any governmental authority or the requirements of a lending institution or title company. No such amendment, modification or supplement shall be operative or effective until it is embodied in a recorded instrument which shall be recorded in the Office of the Clerk of Middlesex County in the same manner as the Master Deed. No amendment, modification or supplement shall be contrary to or violate any provision of the Condominium Act or any other law of the State of New Jersey. No such amendment shall change a Unit or the effect of the subordination as set forth herein unless the owner of record thereof and the holders of record of any liens thereon shall join in the execution of the amendment or execute a consent thereto with the formalities of a Deed.

In addition, the GRANTOR reserves the right to make revisions to the architecture and/or floor plans of unsold units; such revisions might include, but not be limited to, adding garages or a third story or changing the bedroom mix. In particular, the floor plans of the Affordable Housing Units may change, and the size of those units may be increased. Accordingly, after completion of the Condominium, the Grantor shall amend this Master Deed to include the actual floor plans for each unit as constructed.

This Master Deed may not be amended or modified so as to cause the partition or subdivision of any Unit prior to the receipt by the Association of written approval of the holder of any first mortgage lien on such Unit. The GRANTOR shall not be permitted to cast any votes held by it for unsold units for the purpose of amending the Master Deed, Bylaws or any other document for the purpose of changing the permitted use of a Unit, or for the purpose of reducing the Common Elements or facilities. While the GRANTOR maintains a majority of the Board of Trustees, it shall make no additions, alterations, improvements or purchases not contemplated in this offering which would necessitate a special assessment or a substantial increase in the monthly assessment unless required by a government agency, title insurance company or mortgage lender or in the event of an emergency.

(1) Notwithstanding any other provision herein set forth, the entire Condominium property or some or all of the Units included therein (together with the undivided percentage interest in Common Elements and Limited Common Elements appurtenant to such Units) may be subject to a single or blanket mortgage constituting a valid first lien thereon created by a recorded mortgage executed by all of the owners of the property or Units covered thereby. Any Unit covered by the lien of such mortgage may be sold or otherwise conveyed or transferred subject to such mortgage. Such mortgage may provide a method whereby any Unit owner may obtain a release of his Unit (together with the undivided interest in Common Elements and Limited Common Elements appurtenant thereto) from the lien of such mortgage and receive a satisfaction and discharge in recordable form, upon payment to the mortgagee of a sum equal to the proportionate part attributable to his Unit of the then outstanding balance of unpaid principal and accrued interest and any other charges then due and unpaid. Such proportionate part attributable to each Unit shall be the proportion in which all Units then subject to the lien of the mortgage share among themselves in liability for common

expenses as provided in this Master Deed or such other reasonable proportion as shall be specifically provided in the mortgage instrument.

DECLARATION OF RESTRICTIVE AND PROTECTIVE
COVENANTS, AGREEMENTS AND EASEMENT GRANTS

To further implement this plan of ownership, to make feasible the ownership and sale of Units in the CONDOMINIUM, to preserve the character of the community and to make possible the fulfillment of the purposes of living intended, the GRANTOR, its successors and assigns, by reason of this declaration and all future owners of Units in the CONDOMINIUM by their acquisition of title thereto, covenant and agree as follows:

1. That the Common Elements and the Limited Common Elements shall be owned in common by all of the owners of the Units and no others. The Common Elements shall remain undivided and no Unit owner shall bring any action for partition or division of the whole or any part thereof except as otherwise provided by law or in the Bylaws of the ASSOCIATION.

2. That each Unit shall, for all purposes, constitute a separate parcel of real property which may be owned in fee simple and which may be conveyed, devised, inherited, transferred or encumbered along with its percentage in the Common Elements and no part of any Unit shall be conveyed, devised, inherited, transferred or encumbered along with its percentage in the Common Elements apart from the whole of said Unit or its correlative percentage in the Common Elements.

3. That the Unit shall be occupied, within the limitation hereinafter set forth, and used by the respective owners only as a private single-family residential dwelling for the owner, his family, tenants and social guests and for no other purposes except such temporary non-residential uses as may be permitted by the GRANTOR, while the premises are being constructed, developed and sold.

4. That in the event any portion of the Common Elements encroaches on any Unit, or vice versa, or in the event that any portion of one Unit encroaches on another Unit, a valid easement for the encroachment and for the maintenance of the same, so long as it stands, shall and does exist. In the event that any one or more of the multi-unit buildings is partially or totally destroyed and then rebuilt in substantially the same location, and as a result of such rebuilding, any portion of the Common Elements encroaches upon another Unit, a valid easement for such encroachment and for the maintenance thereof, so long as it stands, shall and does exist.

5. That in interpreting any and all provisions of this Deed, the Schedules attached hereto, subsequent deeds and mortgages to individual Units, the actual location and dimensions of the Units and Common Elements shall be deemed conclusively to be the property intended to be conveyed, reserved and encumbered, notwithstanding any minor deviations, either horizontally or vertically, from the proposed locations or dimensions as intended on Schedule B attached hereto.

6. That a valid easement does and shall continue to exist throughout the Common Elements for the purpose of installation, maintenance, repairs and replacement of all sewer, water, power and telephone lines, mains, conduits, wires, poles, transformers and any and all other equipment or machinery necessary or incidental to the proper function of any utility system. In addition, a valid easement is reserved to the GRANTOR to install utilities, utility meters and other facilities necessary for the proper maintenance of the Common Elements within a Unit together with a blanket, perpetual and non-exclusive easement of unobstructed ingress and egress in, upon, over, across and through the Common Elements to the Municipality, the ASSOCIATION, their respective officers, agents and employees (but not the public in general) and all police, fire and ambulance personnel in the proper performance of their respective duties

(including but not limited to emergency or other necessary repairs to a Unit which the Unit Owner has failed to perform), and for repair and maintenance of the Common Elements. Except in the event of emergencies, the rights accompanying the easements provided for in this subparagraph shall be exercised only during reasonable daylight hours and then, whenever practicable, only after advance notice to and with permission of the Unit Owner(s) directly affected thereby. Any Unit disturbed by the exercise of these reserved rights shall be restored to its prior condition at the expense of the Association.

7. That each owner of a Unit shall automatically, upon becoming an owner of a Unit, be a member of said ASSOCIATION until such time as his ownership ceases for any reason, at which time his membership in said ASSOCIATION shall automatically cease. Other than as an incident to a lawful transfer of title to a unit, membership in the ASSOCIATION shall be non-transferable and any attempt to transfer shall be null and void.

8. That, notwithstanding any provision of the Bylaws of the ASSOCIATION, the GRANTOR reserves the right, and shall be entitled, to elect a majority of the Board of Trustees of the ASSOCIATION for so long as the GRANTOR shall be the owner of one or more Units in the CONDOMINIUM, subject, however, to the following limitations:

(a) Within sixty days after conveyance of 25% of the lots, parcels, Units or interests, not less than 25% of the members of the Board of Trustees shall be elected by owners other than GRANTOR;

(b) Within sixty days after conveyance of 50% of the lots, parcels, Units or interests, not less than 40% of the members of the Board of Trustees shall be elected by the owners other than GRANTOR;

(c) Within sixty days after conveyance of 75% of the lots, parcels, Units or interests, the GRANTOR's control of the Board of Trustees shall terminate, at which time

the owners other than the Grantor shall elect the entire Board of Trustees.

(d) Notwithstanding a, b, and c above, the GRANTOR may retain one member of the Board of Trustees so long as there are any Units remaining unsold in the regular course of business.

(e) GRANTOR may surrender control of the Board of Trustees of the ASSOCIATION prior to the time as specified, provided the owners agree by a majority vote to assume control.

(f) The ASSOCIATION, when controlled by the owners, shall not take any action that would be detrimental to the sales of Units by the Developer and shall continue the same level of maintenance, operation and services as immediately prior to their assumption of control, until the last unit is sold.

9. That the administration of the CONDOMINIUM shall be in accordance with the provisions of this Deed, the Bylaws, Rules and Regulations of the ASSOCIATION, the CONDOMINIUM ACT OF THE STATE OF NEW JERSEY and all other governmental rules, regulations and requirements.

10. That each owner, tenant and occupant of a Unit shall comply with the provisions of this Deed and the Bylaws, Rules and Regulations of the ASSOCIATION and failure to comply therewith shall be grounds for an action to recover damages or injunctive relief, such relief being set forth in the Bylaws.

11. That the owner of each Unit, other than the GRANTOR, is bound to contribute according to the percentage of his undivided interest in the Common Elements as set forth in the Master Deed toward the expenses of administration and of maintenance and repairs of the Common Elements, which include snow removal, utility charges, solid waste removal, maintenance of streets, sewers, sidewalks, curbs, etc., the expenses of administering and maintaining the ASSOCIATION and all of its real and

personal property in such amounts as shall from time to time be fixed by the ASSOCIATION, including reserves for deferred maintenance (maintenance items that occur less frequently than annually), reserves for replacement and reserves for capital improvements, and to any expenses that shall be assessed by the ASSOCIATION. No owner may exempt himself from contributing toward such expenses by waiver of the use or enjoyment of the Common Elements or facilities of the ASSOCIATION or by abandonment of the Units owned by him or otherwise. A Unit owner shall, by accepting a Deed, be conclusively presumed to have agreed to pay his proportionate share of common expenses accruing while he is the owner of a Unit.

12. That all charges, expenses and assessments chargeable to any Unit shall constitute a lien against said Unit in favor of the ASSOCIATION, which lien shall be prior to all other liens except: (1) assessments, liens and charges for taxes past due and unpaid on the Unit; and (2) bona fide mortgage instruments, duly recorded, and the ASSOCIATION's lien shall be recorded in the Clerk's Office of Middlesex County pursuant to the Condominium Act. The charges and expenses represented in the usual monthly maintenance charge shall become effective as a lien against each Unit on the first day of each month; additional or added assessments, charges and expenses, if any, chargeable to Units and not covered by the usual monthly maintenance charge, shall become effective as a lien against each Unit as of the date when the expense or charge giving rise to such additional or added assessment was incurred by the ASSOCIATION. In the event that the assessment, charge or other expenses giving rise to said lien remains unpaid for more than ten (10) days after the same shall become due and payable, a \$10.00 late charge shall be levied against the Unit, and in the event that the assessment, charge or other expenses giving rise to said lien remains unpaid for more than thirty (30) days after the same shall become due and payable, the lien may be foreclosed by the ASSOCIATION in the

manner provided for the foreclosure and sale of real estate mortgages, and, in the event of foreclosure, the ASSOCIATION shall, in addition to the amount due, be entitled to recover reasonable expenses of the action, including costs and attorneys' fees. In addition, such charges and expenses shall bear interest from the due date as set by the ASSOCIATION at such rate not exceeding the legal interest rate as may be established by the ASSOCIATION or, if no rate is established, at the legal rate. The right of the ASSOCIATION to foreclose the lien aforesaid shall be in addition to any other remedy which may be available to it for the collection of such charges and expenses, including the right to proceed personally against any delinquent owner for the recovery of a personal judgment against him. The title acquired by any purchaser following any such foreclosure sale shall be subject to all of the provisions of this Deed, the Bylaws, Rules and Regulations of the ASSOCIATION and the CONDOMINIUM ACT OF THE STATE OF NEW JERSEY, and by so acquiring title to the Unit said purchaser covenants and agrees to abide by and be bound thereby. The ASSOCIATION shall have the power to bid on the Unit at foreclosure sale and to acquire, hold, lease, mortgage and convey the same.

13. That upon the sale, conveyance or any lawful transfer of title to a Unit (except a transfer pursuant to a foreclosure of mortgage or assignment of deed in lieu of foreclosure), all unpaid assessments, charges and expenses chargeable to the Unit shall first be paid out of the sales price in preference to any other assessments or charges of whatever nature except: (a) assessments, liens and charges for taxes past due and unpaid on the Unit; and (b) bona fide mortgages, duly recorded.

14. That the acquirer of title to any Unit (except a transfer pursuant to a foreclosure of mortgage) shall be jointly and severally liable, with his predecessor in title, for the amounts owing by the latter to the ASSOCIATION up to and

through the date of the transfer of title, without prejudice to the acquirer's right to recover from his predecessor in title the amount paid by him as such joint debtor, but the acquirer shall be exclusively liable for amounts accruing while he is a Unit owner. The ASSOCIATION shall provide for the issuance of, and issue to every Unit owner or mortgagee, upon his request, a statement or certificate of such amounts due, which statement or certificate shall issue within ten (10) days after receipt of the request therefor. A person other than a Unit owner may rely upon such statement or certificate and his liability shall be limited to the amounts set forth therein. Liability for the payment of said amount to the ASSOCIATION shall not attach to the purchaser or the Unit following a mortgage foreclosure sale of any Unit, provided the ASSOCIATION has been joined as a party to the foreclosure suit. Such unpaid share shall be deemed to be common expenses collectible from all of the remaining owners, including such acquirer, his successors and assigns.

15. No Unit owner shall contract for or perform any maintenance, repair, replacement, removal, alteration or modification of the Common Elements or any additions thereto, except through the ASSOCIATION and its officers. No Unit owner shall take or cause to be taken any action within his Unit which would jeopardize the soundness or safety of any part of the CONDOMINIUM property or impair any easement or right appurtenant thereto or affect the Common Elements. While the GRANTOR maintains a majority of the Trustees of the ASSOCIATION, it shall make no additions, alterations, improvements or purchases not contemplated in this offering which would necessitate a special assessment or a substantial increase in the monthly assessment unless required by a governmental agency, title insurance company or mortgage lender or in the event of an emergency.

16. That each owner, tenant or occupant of a Unit may use the Common Elements and Limited Common Elements in accordance with the purposes for which they are intended, without

hindering or encroaching upon the lawful rights of other owners, tenants or occupants.

17. That the ASSOCIATION shall have the irrevocable right, to be exercised by the Trustees or an authorized person, to have access to each Unit, on notice, from time to time during reasonable hours as may be necessary for the maintenance, repair or replacement of any of the Common Elements therein or accessible therefrom or for making emergency repairs therein necessary to prevent damage to the Common Elements or to any other Unit or Units.

18. That Units shall not be rented by the owners thereof for transient or hotel purposes, which shall be defined as (a) rental for any period less than ninety (90) days, or (b) rental if the occupants of the Units are provided customary hotel services such as room service for food and beverages, laundry service, maid service, bellboy service, etc. Other than the foregoing, an Owner shall have the absolute right to lease his Unit, provided that the terms of the lease are subject to the terms and conditions of this Deed, the Bylaws, Rules and Regulations of the ASSOCIATION and the provisions of the CONDOMINIUM ACT OF THE STATE OF NEW JERSEY.

19. (a) That in the event of fire or other disaster or casualty resulting in damage to or destruction of any improvements on the CONDOMINIUM property or any part thereof or to Common Elements of the CONDOMINIUM in an amount less than two-thirds of the value of the CONDOMINIUM, the net proceeds of any insurance carried by the ASSOCIATION shall be made available for the purpose of repair, reconstruction, restoration or replacement. Where the insurance proceeds are insufficient to cover the cost of repair, reconstruction, restoration or replacement, the deficiency shall be paid by all of the owners directly affected by the damage in proportion to the value of their respective Units. If any owner directly affected by the damage shall refuse to make payments, the Board of Trustees shall levy

an assessment in an amount proportionate to the value of the Unit affected by the damage, the proceeds of such assessment being paid, together with the insurance proceeds, to the ASSOCIATION for the purpose of recovering the costs of repair, reconstruction, restoration or replacement. In the event any owner shall fail to respond to the assessment by payment thereof within a reasonable time, the amount of said assessment shall constitute a lien against the Unit of such owner, which lien may be enforced and collected in the same manner as any other liens as hereinabove provided. In the event any insurance proceeds remain after such repair, reconstruction, restoration or replacement, such excess shall be shared by the Unit owners directly affected. The provisions of this last section may be changed by the unanimous resolution of the Unit owners affected after the date upon which the fire or other disaster occurs.

(b) That in the event such insurance proceeds shall be inadequate by a substantial amount to cover the estimated cost of repair, reconstruction, restoration or replacement of an essential improvement or Common Element or if such damage shall constitute substantially total destruction of the CONDOMINIUM property or if 75% of the Unit owners directly affected by such damage, together with all mortgagees holding bona fide first mortgages on the Units directly affected, shall realize upon the salvage value of that portion of the CONDOMINIUM property so damaged or destroyed, either by sale or such other means as the ASSOCIATION may deem advisable, and shall collect any proceeds of any insurance, then in the event the owners or mortgagees decide to repair or restore, the payment of the costs thereof shall be in accordance with the preceding paragraph. In the event the election is made to sell, the covenants against partition herein contained shall become null and void and the said owner or owners shall be entitled to convey their interest in the CONDOMINIUM and may invoke relief in a court of competent jurisdiction to compel such sale and partition against those

owners who shall have refused to approve such a sale or partition.

All sums received from insurance shall be combined with the proceeds of sale of the CONDOMINIUM, after providing for all necessary costs and expenses, including court costs and reasonable attorneys' fees, in the event of any litigation necessary to compel any owner to join in a conveyance of his interest in the CONDOMINIUM. Distribution of combined funds shall be made to the owners of the Units in the said CONDOMINIUM in accordance with their respective undivided percentage interests in the Common Elements as herein set forth or to mortgagees or other lienholders, as their interest shall appear.

(c) In the event that the Board of Trustees shall deem that the multi-unit buildings in the CONDOMINIUM are obsolete, the Board of Trustees, at a regular or special meeting of the owners, may call for a vote by said owners to determine whether or not the entire CONDOMINIUM should be sold. In the event that all of the Unit owners, with the consent of all bona fide first mortgagees, determine that the premises should be sold, the applicable provisions of subsection (b) as stated above shall become effective.

(d) That the ASSOCIATION, acting by and on behalf of the owners of the CONDOMINIUM, shall insure the CONDOMINIUM in accordance with the Bylaws of the ASSOCIATION. Nothing contained in this covenant and no provision of the Bylaws shall be deemed to prohibit any owner of a Unit from insuring his Unit for his own account and benefit. No owner shall, however, insure any part of the Common Elements whereby, in the event of loss thereto, the right of the ASSOCIATION to recover the insurance indemnity for such loss in full shall be diminished or impaired in any way.

(e) In the event of substantial damage to or destruction of any Unit or any part of the Common Elements, the institutional holders of first mortgages on the Units in the

development shall receive timely written notice of any such damage or destruction.

20. That the Common Elements shall be subject to a valid easement hereby granted to the Municipality, but not to the public in general, to enter upon all roadways, parking areas, sidewalks, driveways and walkways for the purpose of maintaining the safety, welfare, police and fire protection of the citizens of the Municipality, including the residents of the CONDOMINIUM. Particularly, the Common Elements are subject to a fire access easement, the location of which is designated on Schedule B.

21. Nothing shall be done or kept in any Unit or common area which will increase the rate of insurance on any common area or result in the cancellation of any such insurance.

22. (a) If any Unit in the development or any part of the Common Elements shall be taken, injured or destroyed by eminent domain or is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, each Unit owner shall participate through the ASSOCIATION in any proceedings incident thereto, and the institutional holders of any first mortgage on the Units will be entitled to timely written notice of any such proceeding or proposed acquisition. Any damages shall be for the taking, injury or destruction as a whole and shall be collected by the ASSOCIATION and distributed by the ASSOCIATION among the Unit owners and/or the holders of the institutional first mortgages in proportion to each Unit owner's undivided percentage interest in such Common Elements except to the extent that the ASSOCIATION deems it appropriate to apply them to the repair or restoration of any such injury or destruction. However, notwithstanding the above, no Unit owner or other party shall have priority over any institutional holder of a mortgage lien on a Unit with respect to the distribution to such Unit of the proceeds of any award or settlement.

1.

(b) The present title to the premises being the subject hereof and the title to each Unit which shall be hereafter conveyed or acquired in any manner are hereby expressly declared and made subject to the terms and provisions of this Deed, and the acquisition by any person of title to a Unit shall be conclusively deemed to mean that the acquirer approves, adopts and ratifies the provisions of this Deed, the Bylaws and the Rules and Regulations of the ASSOCIATION and will comply therewith. The covenants, agreements and restrictions set forth herein shall run with the land and shall be binding upon all Unit owners, executors, administrators, successors and assigns.

(c) It is the intention of the GRANTOR that the provisions of this Deed are severable so that if any provision, condition, covenant or restriction thereof shall be invalid or void under any applicable federal, state or local law, the remainder shall be unaffected thereby. In the event that any provision, condition, covenant or restriction thereof is, at the time of the recording of this Deed, void, voidable or unenforceable and contrary to any applicable federal, state or local law, the GRANTOR, its successors and assigns and all persons claiming by, through or under the GRANTOR, covenant and agree that any future amendments or supplements to the said laws having the effect of removing said invalidity, voidability or unenforceability, shall be deemed to apply retrospectively to this Deed, thereby operating to validate the provisions of this Deed which otherwise might be invalid, and it is covenanted and agreed that any such amendments or supplements to the said laws shall have the effect at the time of the execution of this Deed.

23. No provision contained in this Master Deed shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

24. The use of the masculine gender in this Master Deed shall be deemed to refer to the feminine gender and

the use of the singular shall be deemed to refer to the plural, and vice versa, whenever the context so requires.

25. Anything to the contrary herein or in the Articles of Incorporation or Bylaws of the ASSOCIATION notwithstanding, GRANTOR hereby reserves for itself, its successors and assigns, for so long as it owns one or more Units in the Condominium, the right to sell, lease, mortgage or sublease any unsold Units within the Condominium, in the ordinary course of business.

26. Notwithstanding any other provision contained herein or in the Bylaws of the ASSOCIATION which may be contrary hereto, except for the provisions dealing with abandonment or termination of the development in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain, and except as otherwise provided for in the Master Deed with regard to the potential expansion of the CONDOMINIUM development, and in addition to all other requirements contained in said Master Deed, the prior written approval of two-thirds of the institutional holders of first mortgage liens on Units in the development will be required prior to the taking of the following action: (a) The abandonment or termination of the CONDOMINIUM development, (b) the effectuation of any decision by the ASSOCIATION to terminate professional management of the development and assume self-management of said development, and (c) any material amendment to the Master Deed or to the Bylaws of the ASSOCIATION.

27. The following provisions are inserted in this Master Deed for the protection of first mortgagees:

(a) Any first mortgagee who obtains title to a Unit pursuant to the remedies provided in the mortgage or foreclosure of the mortgage will not be liable for such Unit's unpaid Association dues or charges which accrue prior to the acquisition of title to such Unit by the mortgagee.

(b) Except as provided by statute in case of condemnation or substantial loss to the Units and/or Common

Elements of the development, unless at least two-thirds of the first mortgagees (based upon one vote for each first mortgage owned) or owners (other than the Developer) of the individual Units have given their prior written approval, the ASSOCIATION shall not be entitled to: (i) by act or omission, seek to abandon or terminate the condominium project; (ii) change the pro rata interest or obligations of any individual condominium Unit for the purpose of: levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards, or determining the pro rata share of ownership of each Unit in the Common Elements; (iii) partition or subdivide any condominium Unit; (iv) by act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer the Common Elements or Limited Common Elements (The granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Elements by the development shall not be deemed a transfer within the meaning of this clause); (v) use hazard insurance proceeds for losses to any condominium property (whether to Units or Common Elements) for other than the repair, replacement or reconstruction of such condominium property.

(c) All taxes, assessments and Association charges which may become liens prior to the first mortgage shall relate only to the individual Units and not to the condominium development as a whole.

(d) No condominium Unit owner, or any other party, has priority over any rights of the first mortgagee of a condominium Unit pursuant to its mortgage in the case of a distribution to such unit owner of insurance proceeds or condemnation awards for losses to or a taking of condominium units and/or Common Elements.

(e) A first mortgagee, upon request, will be entitled to written notification from the ASSOCIATION of any default in the performance by the individual unit owner of any

obligation under the Master Deed or Bylaws which is not cured within sixty (60) days.

(F) No agreement for professional management of the condominium development or any other contract providing for services of the Developer may exceed one (1) year. Any such agreement must provide for termination by either party without cause and without payment for a termination fee on sixty (60) days or less written notice. Any such management agreement shall terminate ninety (90) days after the first meeting of the Board of Trustees in which the Unit owners constitute a majority of the members of the ASSOCIATION, unless the Board of Trustees ratifies the agreement.

28. While the Developer maintains control of the Board of Trustees it shall take no action which adversely affects a Unit Owner's rights under N.J.A.C. 5:25-5.5. Claims relating to defects in common elements shall be processed in accordance with N.J.A.C. 5:25-5.5.

29. Nothing herein shall be construed to prohibit the reasonable adaptation of any unit for handicap use.

30. This Master Deed is subject to the following:

- (1) all easements, restrictions and encumbrances of record;
- (2) all easements, restrictions and covenants to be granted by the Grantor for the purpose of providing utilities or other services to the CONDOMINIUM or any Unit; (3) a certain agreement, a copy of which is annexed hereto as Schedule F, pertaining to the maintenance of the detention ponds servicing the CONDOMINIUM, and (4) a certain "Affordable Housing Plan for Monmouth Walk Condominium," a copy of which is attached hereto as Schedule G.

31. The development is also subject to a fire access easement as shown on Schedule B. No structure shall be built in the fire access area to the rear of the buildings.

32. All streets, curbs, roads, bridges, detention facilities, parking lots and parking spaces within the development are private and not in any way dedicated to the Township of

South Brunswick in the County of Middlesex and are to be maintained by the ASSOCIATION as part of the Common Elements and facilities in accordance with the terms and provisions of this Master Deed.

33. Forty-four (44) units in the CONDOMINIUM have been designated as Affordable Housing Units and are subject to the terms and conditions of an Affordable Housing Plan which is attached as Schedule G to this Master Deed. Sixteen (16) of the Affordable Housing Units are designated as LM-2 units (two bedrooms); 28 are designated as LM-3 units (three bedrooms). The LM-2 units are as follows:

22 Arlene Court	71 Joann Court
23 Arlene Court	30 Jill Court
20 Dawn Court	70 Jill Court
21 Dawn Court	30 Jamie Court
22 Dawn Court	70 Jamie Court
23 Dawn Court	42 Allison Court
24 Dawn Court	43 Allison Court
30 Joann Court	33 Heather Court

The LM-3 units are as follows:

20 Arlene Court	72 Jill Court
21 Arlene Court	73 Jill Court
24 Arlene Court	31 Jamie Court
25 Dawn Court	32 Jamie Court
31 Joann Court	33 Jamie Court
32 Joann Court	71 Jamie Court
33 Joann Court	72 Jamie Court
72 Joann Court	73 Jamie Court
73 Joann Court	41 Allison Court
74 Joann Court	44 Allison Court
31 Jill Court	45 Allison Court
32 Jill Court	30 Heather Court
33 Jill Court	31 Heather Court
71 Jill Court	32 Heather Court

IN WITNESS WHEREOF, the GRANTOR has caused these presents to be signed and attested by its proper corporate officers and its proper corporate seal to be hereunto affixed this 23rd day of March , 1989.

ATTEST:
[SEAL]

Marie Rivera

MARIE RIVERA, Assistant
Secretary

MONMOUTH WALK DEVELOPMENT CORP.,
INC., a New Jersey corporation

BY: *Irving Wander*

IRV WANDER, Vice President

STATE OF NEW JERSEY:
: SS.
COUNTY OF MIDDLESEX:

BE IT REMEMBERED, that on this 23rd day of March,
1989, before me, the subscriber, a Notary Public of New Jersey
personally appeared Marie Luvira, who, I am
satisfied, is the person who signed the within instrument as
Assistant Secretary of Monmouth Walk Development Corp.,
Inc., the corporation named therein and he thereupon acknowledged
that the said instrument made by the corporation and sealed with
its corporate seal, was signed, sealed with the corporate seal
and delivered by him as such officer and is the voluntary act and
deed of the corporation, made by virtue of authority from its
Board of Directors.

Joyce M. Vunckes
JOYCE M. VUNCKES
A NOTARY PUBLIC OF NEW JERSEY
My Commission Expires February 28, 1992



COMM NO. 6922AF

FEBRUARY 10, 1987
REVISED OCTOBER 29, 1987
REVISED SEPTEMBER 15, 1988

Route 22
Post Office Box 818
Somerville, N.J. 08876
Telephone: (201) 722-3100
Telex: (201) 707-1690

Architecture
Engineering
Planning

DESCRIPTION OF LOT 9.07, 16, 8, 9.04, BLOCK 41 & LOT 1
BLOCK 259.01 SOUTH BRUNSWICK TOWNSHIP, MIDDLESEX COUNTY, NEW
JERSEY.

Beginning at a concrete monument in the southerly sideline
of Monmouth Junction Road (Ridge Road), said point being the
northeast property corner of Lot 9.08 lands N/F John Schmidt
and from said beginning point running,-

- (1) Along same South 82 degrees 39 minutes 15 seconds
East a distance of 100.00 feet to a point; thence,
- (2) South 6 degrees 32 minutes 35 seconds West along
the westerly property line of Lot 9.05 Block 41 a distance of
181.71 feet to an angle point; thence,
- (3) Continuing along same South 48 degrees 43 minutes
45 seconds West a distance of 62.24 feet to a point; thence,
- (4) South 58 degrees 0 minutes 6 seconds East along
the southerly property line of Lot 9.05 Block 41 a distance of
46.50 feet to an iron pipe for an angle point; thence,
- (5) South 41 degrees 29 minutes 12 seconds East a
distance of 432.09 feet to a point; thence,
- (6) South 48 degrees 36 minutes 38 seconds West a
distance of 1405.24 feet to a point in the northerly line of
land of the Conrail P.C.T. Co. United New Jersey Railroad and
Canal Co.; thence,
- (7) Along same North 67 degrees 22 minutes 54 seconds
West a distance of 668.58 feet to an angle point; thence,
- (8) Continuing along same North 67 degrees 34 minutes
15 seconds West a distance of 623.42 feet to a point of
curvature; thence,
- (9) Continuing along same on a curve to the left
having a radius of 1145.12 feet an arc distance of 498.93 feet
to a point, said curve having a chord bearing and distance of
North 80 degrees 03 minutes 10 seconds West, 494.99 feet;
thence,

BOOK 3770 PAGE 356

SCHEDULE A

COMM NO. 6922AF
February 10, 1987
Revised October 29, 1987
Revised September 15, 1988
Page 2

(10) Continuing along same North 2 degrees 32 minutes 05 seconds West a distance of 18.00 feet to a point; thence,

(11) In a southwesterly direction on a curve to the left having a radius of 1163.12 feet an arc distance of 110.00 feet to a point, said curve having a chord bearing and distance of South 84 degrees 45 minutes 21 seconds West, 109.96 feet; thence,

(12) North 44 degrees 13 minutes 53 seconds East along the southeasterly sideline of Lot 4.01 Block 259 a distance of 926.23 feet to a point in the stone road extending westerly from Old Ridge Road; thence,

(13) Along same South 87 degrees 19 minutes 47 seconds East a distance of 289.04 feet to a point in the westerly terminus of Old Ridge Road; thence,

(14) Along same South 5 degrees 47 minutes 53 seconds West a distance of 22.83 feet to a point; thence,

(15) South 69 degrees 51 minutes 32 seconds West a distance of 356.47 feet to a point; thence,

(16) In a southwesterly direction on a curve to the left having a radius of 922.40 feet an arc distance of 52.38 feet to a point, said curve having a chord bearing and distance of South 2 degrees 48 minutes 45 seconds East, 52.38 feet; thence,

(17) North 69 degrees 51 minutes 32 seconds East a distance of 127.95 feet to a point on the centerline of former R-Street now vacated; thence,

(18) Along centerline of former R-Street South 19 degrees 23 minutes 28 seconds East, a distance of 163.85 feet to a point; thence,

(19) North 69 degrees 6 minutes 32 seconds East a distance of 265.76 feet to a point; thence,

COMM NO. 6922AF
February 10, 1987
Revised October 29, 1987
Revised September 15, 1988
Page 3

- (20) North 19 degrees 23 minutes 28 seconds West a distance of 9.50 feet to a point; thence,
- (21) North 70 degrees 21 minutes 32 seconds East a distance of 100.00 feet to a point; thence,
- (22) South 19 degrees 23 minutes 28 seconds East a distance of 100.00 feet to a point; thence,
- (23) North 70 degrees 21 minutes 32 seconds East a distance of 400.00 feet to a point; thence,
- (24) North 19 degrees 50 minutes 46 seconds West, a distance of 184.74 feet to a point; thence,
- (25) North 19 degrees 23 minutes 28 seconds West a distance of 133.79 feet passing through a portion of a common driveway servicing Lots 7 and 8 Block 41 to a point in the centerline of Old Ridge Road; thence,
- (26) Along same North 70 degrees 21 minutes 32 seconds East a distance of 434.91 feet to a point; thence,
- (27) South 19 degrees 38 minutes 28 seconds East a distance of 16.50 feet to a point; thence,
- (28) North 81 degrees 01 minutes 33 seconds East a distance of 6.62 feet to a point; thence,
- (29) South 11 degrees 12 minutes 57 seconds East passing over an iron pipe on line 0.68 feet from the beginning of this course a distance of 264.00 feet to a point; thence,
- (30) North 69 degrees 30 minutes 52 seconds East a distance of 224.00 feet to a concret monument and corner; thence,
- (31) South 6 degrees 38 minutes 54 seconds West a distance of 150.33 feet to a concrete monument and corner; thence,

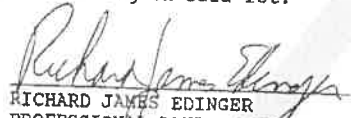
COMM NO. 6922AF
February 10, 1987
Revised October 29, 1987
Revised September 15, 1988
Page 4

(32) South 82 degrees 44 minutes 44 seconds East a distance of 367.75 feet to a concrete monument and corner; thence,

(33) North 6 degrees 50 minutes 24 seconds East a distance of 149.54 feet to a point; thence,

(34) North 6 degrees 33 minutes 35 seconds East, 201.50 feet to a point, the place of beginning.

The above described parcel is all of the above referenced parcels and contains 48.63 acres of land as shown on description of above property prepared by Tectonic of Somerville, New Jersey and is subject to an access easement to lands lying South of Conrail Railroad Tracks, a 20 foot easement to P.S.E. & G Company and a 5 foot wide easement to Lot 1 Block 41 for use in maintenance of dwelling on said lot.


RICHARD JAMES EDINGER
PROFESSIONAL LAND SURVEYOR
NEW JERSEY LICENSE NO. 23935